The World's Daily Newspaper

London, Tuesday, January 20, 1998

Jakarta Merges Banks To Reignite Economy

Asia Markets Cheer Quick Reform Start

By Seth Mydans New York Times Service

JAKARTA - Moving quickly to begin restarting the country's economic engine, Indonesia has announced the first of an expected series of bank mergers aimed at making the financial sys-

rem more efficient and accountable.

The merger of five private banks, reported Monday, begins a process of consolidation of some 240 banks that was called for in an agreement signed Wednesday with the International Monetary Fund.
'It's significant because of the speed

with which it followed the latest IMF accord," said James Castle, a director of

Indonesians march against seventh

Castle Group, a financial analysis firm.

"It shows that they are serious about

one important part of the accord."

The accord, which will restructure vast areas of Indonesia's economy. called for an increase in the required capitalization of banks as well as a broadening of their ownership to prevent unsound private lending.

[Asian stock markets rallied, with the enchmark index in Jakarta climbing 6.1 percent as the planned merger showed that the country could succeed in reviving its ailing financial industry,

Bloomberg News reported.

The benchmark index in Bangkok

mose 9.9 percent, leading the region. The composite index in Kuala Lumpur gained 9.1 percent, the Hang Seng index in Hong Kong surged 5.6 percent, and the Straits Times Index in Singapore and the Composite Index in Seoul both advanced 6.6 percent.]

Some analysts urged caution Mon-day. When the IMF arranged a \$40 billion rescue package last October, one of the first encouraging sleps taken by the Indonesian government was the closing

See JAKARTA, Page 15

3 Korean Empires Bow to New Reality

By Don Kirk Special to the Herald Tribu

- Sonth Korea's three argest conglomerates announced plans Monday to scale back their empires in the interest of efficiency and economic

Hyundai Corp., the largest of the con-glomerates in terms of assets, abandoned its founder's pet project of build-ing a steel plant and said it was spending work on a semiconductor plant in Scotland and a motor-vehicle ctory in Indonesia while promising to get rid of unprofitable subsidiaries.

LG, the third-largest of the conglom-erates, called chaebol, said it too would give up unprofitable enterprises and modernize its corporate structure. Samsung Corp., Hyundai's rival for the na-tional lead in total sales, said it was closing regional headquarters in London and Singapore and in Ridgefield Park, New Jersey.

The announcements reflected the desire of the companies to be seen as making progress toward meeting de-mands of the International Monetary Fund in return for \$60 hillion in loans and guarantees to bail South Korea out of its economic crisis.

The IMF has called for sharp reductions in the size and number of chaehol well as "transparency" in its financial statements and corporate direction all of which were promised in the

announcements by Hyundai and LG.
A high-level South Korean economic team is to meet Wednesday with representatives of creditor hanks in New York, and there have been reports that government officials wanted Hyundai and LG to announce their plans before the meeting. Samsung and Daewoo Corp, had already said they would cut back drastically on unprofitable enter-

Among the assets Hyundai said it would divest itself of is the afternoon newspaper Munwha Ilbo, opened in

See SEOUL, Page 15

U.S. Firms Show a Strong Urge to Merge

of the industrial upheavals that tonk place at the beginning of the century.

The rush has created U.S. giants that

With a record \$1 trillion in mergers last year, corporate America is being reshaped by a wave of deals in a reprise while no one can say how long this merger pace can last, the trend reflects a growing belief among regulators that hig husiness is not necessarily bad. Page 11.

Tariq Aziz. UN officials said that there

would be no public statements aboot the

"This work can be done quite quickly with full Iraqi cooperation," Mr. Butler said. But, be added, "It will end when it

Nevertheless, he dealt with some Iraqi concerns when he said that he might be willing to take a second look at

the composition of inspection teams,

some of which the Iraqis have complain

said Mr. Butler, an Australian, adding

that experts were recruited from coun-

tries around the world to form inspec-

tion teams tailored to certain sites and

double take and look at their nation-

alities. But only after we look at their

review the files on special warheads

capable of delivering chemical and bi-

ological weapons and on evidence that

Iraq had produced the deadly nerve gas

Iraq have asked that, at the very least, the UN Special Commission, which Mr.

Butler heads, should begin closing files

See IRAQ, Page 6

Critics of continued sanctions against

'We choose the best that we can."

'Maybe in the future, we'll make a

talks until they concluded.

have too many Americans.

problems.

known as VX.

Iraq's 'Arbitrary' Deadline Scorned by UN Inspector

In Baghdad, Butler Says It 'Simply Won't Work' By Barbara Crossette

New York Times Service BAGHDAD - The United Nadons' chief arms inspector for Iraq, Richard Butler, began crucial talks here Monday, acknowledging that relations with President Saddam Hussein were again si the crisis point but also offering the Iraqis a few crumbs of hope for quicker action toward lifting sanctions.

On Saturday, Mr. Saddam threatened to expel all UN inspectors within six

Completion of UN arms inspection has a double goal. Page 6.

months if the sanctions that have collapsed the Iraqi economy hy blocking oil sales were not lifted.

The government said it had no alternative because, in its view, Washington seems prepared to have the embargoon fraq continue indefinitely. The sanctions were ordered after the Gulf ar over the Iraqi invasion of Kuwait in

ven Pressure Caoki. As Mr. Butler was arriving Monday. Iraqis staged a funeral for 70 children who the government says have died recently because the embargo had deprived them of both food and medi-

Mr. Butler said that the threat to end cooperation with the United Nations makes no practical sense."

"The idea of an arbitrary, a priori deadline is something that simply won't work," he said at a news conference Monday evening before the first of two meetings with Deputy Prime Minister

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BRUSSELS - European Union finance ministers on Monday dispelled donbts about Italy's ability to meet the strict criteria to join the planned European Monetary Union this spring,
voicing approval for Rome's 1998
budget package of spending cnts and tax
prejudge anybody's membership prosand social security reforms.

By Barry James and Alan Friedman

"Italy has achieved remarkable success," said Theo Waigel, the German finance minister who has been one of Italy's sharpest critics.

The endorsement from the 15 EU countries was "entirely unanimous," said Gordon Brown, Britain's chancellor of the Exchequer, who on Monday began his six-month term as chairman of the finance ministers' meetings.

The fear that weak Italian economic figures could undermine the EU cropped up in the Netherlands last week, where the finance minister, Gerrit Zalm, was reported to be on the verge of resignation over the issue. He has denied the report and said Monday that the Netherlands had no "historical or geographical prejudgment" about

italy's entrance into monetary union. The recognition of Italy's economic progress came on the eve of a politically significant visit to Rome by Chancellor Helmut Kohl of Germany, who is scheduled to meet with Prime Minister Ro-

mano Prodi on Tuesday.

Italian officials are hoping that Mr.

Cuba Puts On a New Face for the Pope



A worker installing a painting of Christ on Monday in Havana's main plaza, where Pope John Paul II will celebrate Mass on Sunday. Fidel Castro has been trying to portray the Pope as an ally. Page 7

Show of Support for Rome's EMU Bid

Kohl will offer some expression of sup-port for Italy's determined drive to get

its public-sector finances in order, but

some analysts predicted Monday that

Mr. Kohl was unlikely to provide a full-

"I think Mr. Kohl will make some

blown endorsement

China Shows Cohen **Big Military Secret**

Air Defense Center in Beijing Opened to Pentagon Visitors

By John Pomfret
Washington Post Service

BELIING - The U.S. secretary of defense, William Cohen, became Monday the first Western official to visit a once-secret air defense center in Beijing in what U.S. officials called an important step in improving military re-lations between China and the United

Mr. Cohen also announced that he was pleased with a statement by the defense minister of China that Beijing had ended sales of C-801 and C-802 ano-ship cruise missiles to Iran.

China has reportedly sold several such missiles to Iran in defiance of Washington, which fears that they could

threaten shipping lanes in the Gulf.
On the third day of a four-day trip to China, Mr. Cohen also concluded the first formal agreement between the U.S. Defense Department and China's People's Liberation Army: a protocol designed to prevent incidents at sea.

The developments underscored significant improvement in one of Washington's most sensitive military relationships - between the world's most

pects until the heads of government meet

to decide on who will be admitted to EMU early in May," said Julian Jessop.

economist at Nikko Europe in London.

that despite skepticism in Germany

about the single currency and some vo-

cal opposition to Italian membership,

Mr. Kohl could no longer ignore the

See EMU, Page 7

Mr. Jessop and other analysts said

powerful country and its most populous one. Less than two years ago, a U.S. aircraft carrier battle group was facing off against Chinese forces on military exercises near the Strait of Taiwan and

tension was high in both capitals.

Since then, U.S. and Chinese officials have labored to improve ties despite domestic opposition, lingering mistrust and strong disagreement over Taiwan. China considers the island nation ul 21 million people to be a rogue province. and the United States is legally bound to

support Taipei.

Mr. Cohen's trip, the fifth leg of a seven-nation tour of East Asia, has built on a groundswell of good feelings engendered by the meeting in October between President Bill Clinton and

President Jiang Zemin.
The visit Monday to the Beijing Air fense Command Center was the highlight of Mr. Cohen's trip.

Arranged just days before he came to China, the visit gave U.S. military expens a glance into the heart of China's defense structure. The secretary went with 14 other U.S. officials, including Admiral Joseph Prueher, commander of America's Asia-Pacific forces.

The eight-story huilding sits in south-eastern Beijing, behind a lightly guarded, unassuming gate, according to American official with Mr. Cohen. 'If this facility was across the street,

you wouldn't know it was there," the official said.

Commanded by a Chinese lieutenant general, the center is responsible for defending the skies in a 320-kilometer 00-mile) radius around China's capital. It has the capability of coordinating surface-to-air missile batteries, of tracking thousands of military and commercial planes in the region daily and, most significantly, of generating an integrated response to a potential crisis, the

Previously, U.S. officials have said they did not know that China was capable of coordinating integrated responses among its different forces.

inst

"It was an interesting mixture of old and new, of technology from the late 1950s and early 1980s," the official said. "Some places had computers with large displays. In other places. I smelled vacuum tubes," electronic components

See CHINA, Page 4

Web-Filter Rules Upset Libertarians

A group of 200 computer scientists and engineers has quietly endorsed a set of rules that could govern the way people receive electronic information — or he pre-vented from receiving it. Critics contend that the group is wielding power that will shape social relations and political rights for years to come. Page 11.

AGENDA

One Killed in Shooting at King March

BATON ROUGE, Lonisiana (AP)

— Gunshots were fired Monday at
marchers in a parade honoring Martin
Luther King Jr., killing one person

and wounding three children.

The police were searching for at least one shonter, who was believed to be black, said Corporal Don Kelly, a

police spokesman.

The wounded victims, two of

Ulster Plan Assailed

Gerry Adams and a delegation from Sinn Fein, the political arm of the IRA, objected to a new British-Irish negotiating hineprint in a meet-ing with Prime Minister Tony Blair at his London residence on Monday but said they remained committed to participation in the current peace talks in

They said they would not be driven from the negociations by the actions of sectarian groups who have killed six people since Christmas. Page 5.

whom appeared to be under the age of 10, suffered "minor to moderate" injuries, Corporal Kelly said.

The motive was not known but race was not believed to be a factor, Corporal Kelly said. "The only thing we know at this point is that a man in an orange looking shirt came out of the crowd and started shooting," said Corporal Charles Armstrong.

PAGETWO A New Day for French Communists THE AMERICAS The Clinton Paradox, the Jones Threat Yeltsin Returns to Work at Kremlin

In Belgrade, a Descent **Into Sordid Hedonism**

Serbs Are Turning to Pornography and Violence

By Chris Hedges
New York Times Service

Yves-Thibault de Silguy, left, EU monetary affairs commissinner, with

Treasury Minister Carlo Azeglio Ciampi of Italy in Brussels on Monday.

BELGRADE — Pulsating music thumped through the blue haze of cigarette smoke and strobe lights of the Lotus Club. Scantily clad strippers spun around poles and leaped into two huge floodlit cages with men and women from the dance floor. The young couples began to peel off their shirts and simulate sex with the dancers.

"Stay a little longer," a patron shonted. "The simulation is just the beginning."

Under a spotlight, a stripper known as Nina, a star of Belgrade's violent and frenede night life, descended a spiral staircase. Her lover and bodyguard, a woman with closely cropped hair and a pistol tucked in her belt, followed her.

A year ago, Belgrade, which saw daily street protests staged by the political opposition, seemed on the verge of escaping from the nightmare of war, nitranationalist ideology and repressive rule by President Slobodan Milosevic. Today, the city seems more like Caligula's Rome.

There is a wild abandon in the air, bred of hopelessness and spathy. The city's best-known gangsters, sometimes in the company of Mr. Milosevic's son, Marko, who recently threatened bar patrons with an automatic weapon, cruise the streets in BMWs and Mercedeses. They haunt clubs like the Lotus in their expensive hlack Italian suits and leather jackets.

This criminal class, many of whom

made their fortunes by plundering the possessions of ethnic Croats and Muslims who were expelled from their homes or killed in Bosnia-Herzegovina during the war there, deals in stolen clothes from Italy, stolen cars, drugs, protection rackets, prostitution and duty-free cigarettes. They also control some 70 escort services in Belgrade. three adult cinemas and 20 pomographic magazines, people in the industry say.

After midnight, the public television channels show hard-core pomographic films made in their studios.

The hedonism comes as inflation is eating away at the local currency, the dinar, which has lost more than half of its value in the last few months. And it comes as the political opposition selfdestructs with infighting after Mr. Milosevic, formerly the president of Serbia and now the president of Yugoslavia. has reasserted control.

Adding to the pressures, Serbs are also

See BELGRADE, Page 7

Addressing Iraqi protests about the blanket nature of the inspection system, Mr. Butler also said that two meetings of technical experts would soon be held to

Pages 8-9. Pages 16-17.

Madagascar's Real-Vanilla Cash Crop Loses Flavor pound, vanilla was for a long time this impoverished In a world where a dessert has been named "death island's own little pot of gold, its second higgest

By Suzanne Daley
New York Tomes Service

ANTALAHA, Madagascar - Barefoot in the steamy rain forest that surrounds his wooden but here, Solomon Rasolomonina pushed his way through the branches, hunting for his vanilla plants. When he found one, he snapped a twig the size of a matchstick

found one, he snapped a twig the size of a marchstick from a nearby tree and, gently reaching into the plants' hlooming orchids, pollinated them.

"You must come out here every day at this time of year," he said, swiping a mosquito from his forehead, "You must get the flower in the morning, when it hloom, and before it is too old. You only have a few

by chocolate" and chocoholics have their own support groups, this island in the Indian Ocean is the champion of what some people consider a more refined taste. Here you can even order lobster "a la vanille."

Vanills plants, which need to grow coiled around trees, were introduced to Madagascar in the mid-1800s, when they were transplanted from Mexico, where there are birds and bees that will do Mr. Resolomonina's task.

But here there are none of the right kind. And though Madagascar has produced most of the world's vanilla over the last century, pollination is still done by

A cash crop that once brought prices of nearly \$40 a

See VANILLA, Page 7

The increasing use of artificial chemical flavorings

and foreign competition have burt the husiness. But

experts say the biggest damage has been done by years of government price-fixing, high taxation and over-regulation. It is still too early to tell, they say, whether recent efforts to liberalize the business will save it.

Mr. Rasolomonina once had twice as many plants as

he has today. But in the 1980s, he ripped out half his

vines in disgust and planted bananas, breadfruit, sugar

export crop, behind coffee.

cane and coconuts instead

Clear Skies for the Communist Weatherman

By John Vinocur

ARIS — Time was in the 1970s when Georges Marchais, Communist Party chief and French politics' favorite ogre, would go on television, snarl at the interviewer, in-terrupt whatever he didn't like to hear and pronounce Soviet policy, whatever the week's atrocity, to be "globally positive." In terms of politico-psychiatric transferal, the late Mr. Marchais had hit on a marvelous gimmick: For millions of Frenchmen, regardless of the message, he was the guy who went into the boss's office and blew smoke in his face.

Over the years, Afghanistan, the crackdown in Poland, the misery of Soviet life, the decline of industrial work in France, Francois Mitterrand's deft maneuvering within the left and the fall of the Berlin Wall all combined to marginalize the French Communists and turn Mr. Marchais's routine into a no-laughs number from a lost era. Seemingly irrelevant, and wobbling under the weight of its black history, the party was abandoned by all hut its reflex voters. A long, public mea culpa followed a sworn, public embrace of democracy that coincided, in turn, with Mr. Marchais's slide into retirement.

Robert Hue, more the jovial TV-weatherman type than bash-the-bosses ranter, became party chief in 1994. A snap legislative election last May unexpectedly jurned the Communists into a component of Prime Minister Lionel Jospin's Socialist-led government. And now, a few weeks into 1998, the party is moving into the entirely unaccustomed role of being listened to on subjects where its views have usually meant more ridicule than potential solution.

Mr. Hue points gleefully to the bourgeois origin and assumed objectivity of an end-of-the-year poll and assumed objectivity of an end-of-the-year poll in the conservative daily newspaper Le Figaro that shows the Communists getting more favorable judgment (37 perceot) and less oegative opinioo (51 percent) than either of the major components of the rightist opposition, the Gaullists and the UDF.

"Hey, we're talking about Figaro-Dimanche here, not l'Humanite Dimanche," Mr. Hue says with an engrouss blue-sky grin referring to the

with an enormous blue-sky grin, referring to the Communists' Sunday paper. He spreads his hands wide. "Never happened before."

What appears in have taken place is this: With the drag of running daily government and responsibility for the tight-money creed of qualifying for European Monetary Union, the Socialist Party has lost good chunks of its status as central repository for good chunks of its status as central repository for leftist policy and sentiment. Its plan to cut the work week to 35 hours has fallen far short of becoming a popular symbol for beating unemployment. With carefully dused encouragement to johless protesters in the streets, and voting for regional councils scheduled for March, the Communists are delighted to think they now have the right vocabulary to pick

to think they now have the right vocabulary to pick np some loose electoral change.

"Lionel Jospin is locked into the constraints of Europe at the moment," Mr. Hue said in an interview. "He has chosen to remain in the Maastricht criteria. In these conditions he cannot satisfy the needs of the unemployed. It's a very tight yoke."

R. HUE gets around the question of how, with these contradictions, his party stays a part of the government, by saying, "I haven't asked Jospin to ▲ Saying, "I haven't asked Jospin to change policy, but to be true to the orientations we chose together in public before the elections."

This is a reference to Mr. Jospin's campaign attacks on the EMU Stability Pact, which will require the countries that join the European com-mon currency in 1999 to carry forward the qualifying criteria indefinitely. Mr. Jospin denounced the pact as a German-engineered absurdity and then accepted its requirements barely a month after his election. For Mr. Hue, it is still "an austerity pact inspired by Kohl and the Bundesbank" that "subordinates our country almost forever" to a political visioo "aiming to facilitate the profitability of the big groups and the financial markets."

This comes with Mr. Hue's insistence that his

party is "profinandly in favor of European con-struction," a big stride away from its old anti-Common Market line.

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The essence of French communism today, insists Robert Hue, is that it wants to go beyond capitalism while social democrats will settle for adapting it. Mr. Hue spoke in Paris on Sunday after a march protesting European Monetary Union.

Trying to appropriate what there is nf anti-European sentiment within the left, while making sure that it does not have to deal with its ultimate implications, the party is currently calling for a referendum on the Amsterdam Treaty laying out the European Union's expansion program, and its Sta-

The Communists have no expectation that Mr. Inspin or President Jacques Chirac will initiate a vote nn the euro, but they are able to claim for themselves an attack on what they see as the logical link between the EMU's requirements and disappearing jnbs.

The party's remedies for unemployment include a lifetime job-training program that presupposes most workers would have five or six jobs during their career and would be retrained at regular in-

tervals in conditions of full financial security. Mr. Hue seems to think he can take bold of another area of strong sentiment by calling for new taxes on the rich to finance the jnh program. He goes further than Mr. Mitterrand's special tax oo large

fortunes and says:
"I want to penalize those in France, and why not elsewhere, who use money for speculation rather than for investment that creates jobs. I don't say you penalize everyone. I'm not talking about the little savers and the little shareholders. There are thou-

Paris Unemployed Carry Their Protest to Prefecture

The Associated Press

PARIS - About 40 jobless activists marched into the Paris police prefecture oo Monday in the latest protest over what they regard as the French government's failure to fight 12.4 percent unemployment.

In Lyon, the police evicted about 30 jobless people who had been camped out in a building belonging to the Credit Lyonnais bank for more

But jobless protesters cootinued sit-ins in the prestigious Ecole Normale Superieure in Paris and the mayors' offices in the cities of Brest, Gningamp

Jobless militants have been protesting for more than a month, and this weekend thousands of them marched in cities around France demanding an increase in minimum moothly aid for the unemsands of Communists who have France Telecom shares. Myself, I'm not crazy about shareholding. The people I'm after are not the little people but those who hold the essential financial power and are

the rainmakers oo this planet."

In the oext breath, Mr. Hue explains that he has read George Soros. Interesting stuff, he says, with a slightly ironic, rainy-day smile. The party these days, he goes on, has nothing against the idea of personal property and sees state ownership of the means of production as an idea that was devastated

by the Soviet experience.
"I don't want to make money diabolical. Previnusly we were linked to that image. But money has got to be useful. If it's not turned toward production, money is crazy. It's got to be oriented toward other things than a dictatorship of

Mr. Hue is at pains to say this in a way that would upset no one if he had turned up as a guest speaker at a chamber of commerce lunch.

HE ESSENCE of French communism today, he insists, is that it wants to go beyond capitalism while social democrats will settle for adapting it. But he is not afraid of the word revolution. In Mr. Hue's mind, "it is a democratic, peaceful process that gets you from one end to the other."

As a gauge of the party's new democratic soul he repeats its now familiar condemnations of Stalinism and its loyalty to the Soviets, "We think the in-dividual and his development are the motor of all change." Mr. Hue says.
Who believes in this conversion? Mr. Hue points

to the poll results and says they are particularly indicative because they have come at a time when a bouk documenting Communist crimes, "The Black Book of Communism," has been at the top of the country's best-seller list.

When the subject is the United States, there is

hard rain in the weather guy's eyes. He wants to steer clear of the old talk of devils, he says, but "they've got a dominating model and a model of dominatioo. The Americans chose it, but the French and the Europeans doo't want this model imposed on them. There are risks for the Americans in this hegemooy and this domination. Their system leads to it."

So what else is new? a visitor asks with a sigh. "Ah," Mr. Hue replies, smiling again. "Before, that was ideology. Now, let's call it an objective

Netanyahu Policy Held' **Hostage to Hard-Liners**

By Lee Hockstader ington Post Service

JERUSALEM - Prime Minister Benjamin Netanyahu has flown to Washington to discuss Middle East peace at the White House this week after having whittled down expectations so insistently that any sign of progress may be greeted as a ray of hope.

His conservative cabinet spent much of last week elaborating on what they would not do to make peace with the Palestinians, where they would not do it and according to what timetable they would see it not get done.

For Mr. Netanyahu, who has long regarded the 1993 Israeli-Palestinian

NEWS ANALYSIS

peace accords with distaste - even though he has pledged to carry them out
— it is nothing new that his political opponents accuse him of dragging his feet on peace or subverting it.

What has changed io recent weeks is his government's standing, and his own hold on power. Neither seems to bode well for the peace prospects, many analysts here say.

The resignation two weeks ago of Foreign Minister David Levy, who was considered a moderate within the rightist cabinet, set the tone for the cabinet moves that followed. The departure of Mr. Levy, who controls five seats in Parliament, left the government with a 61 to 59 majority in the Knesset and significantly more susceptible to hardline pressure, particularly on the land-for-peace formula at the heart of the

Middle East peace process.

Many conservatives in the Jewish state long have been uneasy with the land-for-peace trade-off, by which Israel would return Arab territory it captured in 1967 in exchange for supplied in 1967 in exchange for supplied in 1967. tured in 1967 in exchange for guarantees of peace from the Arabs, seeing it as tantamount to forfeiting security. They say Israel should not withdraw any more troops from the West Bank until the Palestinians make significant progress on a range of security issues, including a crackdown on suspected terrorists operating from the territory.

"It has become land for war, land for bloodshed, land for terror," David Bar-Illan, a top adviser to Mr. Netanyahu, said in an interview.

Guided by that outlook, Mr. Net-anyahu's cabinet staked out its position in a series of actions before his meeting Tuesday with President Bill Clinton. First, the prime minister declared that

even if the government decided to go ahead with any pullback of Israeli troops, it would have to wait, possibly for months, until the Palestinians complied with commitments on security and other matters that Israel contends have not yet been met.

Next, the cabinet published an extensive list of accusations of Palestinian concompliance, further emphasizing that no withdrawal would occur until the points were addressed. Finally, the cabinet declared large chunks of the West Bank as areas of Israel's "vital interests," suggesting they are nonnego-tiable in any discussions of an eventual Palestinian state. Sunday, the cabinet delayed a decisioo oo the land plan.

Moreover, Israeli officials have said Mr. Netanyahu will not present Mr. Clinton with a map of the West Bank indicating from what areas Israeli troops might be withdrawn next. The White House has wanted such a proposal. The Clinton administration and leftist

WEATHER

critics of Mr. Netanyahu in Israel see these moves primarily as bargaining positions but unhelpful nonetheless.

Mr. Netanyahu "has a policy on the peace process — to keep putting it off and putting it off," said Galia Golan, an activist for the advocacy group Peace Now. "He was and is opposed" to the 1993 accords and "believes in the idea of a Greater Israel.'

But that did not mitigate the political reality in Israel that has Mr. Netanyabi in such a bind, that any Israeli pullback from significant chunks of West Bank land could cause hard-liners to bolt from the cabinet, triggering the collapse of the government.

There is now a paradigm of a weak prime minister who claims not to have enough power to move in a serious direction and can only move incrementally," said Yaron Ezrahi, a political

He said this means the Palestinish and Americans must choose between accepting a small concession and "getting as much as one can get at this stage even if it's contrary to some expec-tations and a sense of fairness, or trying tations and a sense of farmess, or trying to force a conflict that will either strengthen Netanyahu by making him appear as a hero to the Israeli right or destabilize his government with all the uncertainties that new elections and a campaign carry. It's a very difficult choice.

The Palestinian leader, Yasser Arafat, scheduled to meet with Mr. Clinten two days after Mr. Netanyahu, has n acted in generally subdued tooes white not hiding his frustration with the Israeli

'There's no alternative to the peace process.'

decisions. At the same time, he has characterized the Washington meetings as a last gasp for the peace process, warning that failure could provoke a renewed popular uprising by the Palestinians against Israeli military occupation.

That warning has been repeated incessantly in the Israeli media, broadcast along with reports that the Palestinians and Israeli forces are covertly preparing for oew hostilities. The reports are dismaying to Jews and Palestinians here. who have been shown hy clear majorities in public opinion polls to favor

progress io the peace process.

"It's easy to say the Arabs are to blame but they'll just say we're to blame," said Mikhail Bykov, an Israeli in the West Bank settlement of Qirgat Arba, south of Jerusalem. "There's no alternative to the peace process. If the other side's making steps toward peace, there's no reason we can't do the same."

Mindful of that strand of public opinion in Israel, and its corollary in the United States, Mr. Netanyahu has taken pains to launch a full-scale public relations offensive, insisting that he wants progress on peace — but not at any

In his effort to remind people of a need to press the Palestinians on the issue of terror, Mr. Netanyahu is including as part of his official delegation in Washingtoo two relatives of Israelis killed in terror attacks.

Mr. Arafat, meanwhile, will press his own public relations offensive, meeting with President Jacques Chirac of France, President Hosni Mubarak of Egypt and other dignitaries on stops before Washington.

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TRAVEL UPDATE

Shanghai Offers Asians Discounts

SHANGHAI (AFP) - A number of hotels and two airlines based in Shanghai will offer discounts to lure Japanese and

South Korean tourists who have been hit by the currency depreciation in Asia, a tourism official said Mnnday.

An official of the Shanghai Tourism Committee said that China Eastern Airlines and China Airlines International would increase flights to Europe and the United States to make up for a decline in passengers in Southeast Asia, while the government would relax its policies to attract more business travelers.

The number of tourists visiting Shanghai rose 15 percent to a record 1.6 millinu last year, compared to annual increases of about 5 percent in the last few years. The increase was attributed to better promotional efforts and a rise in the number of business travelers, who make up 75 percent of all foreign visitors to Shanghai.

French Railroads Increasing Fares

PARIS (Reuters) - The French state railroad, SNCF, will raise ticket prices hy an average 1.2 percent in 1998, the company said in a statement Monday.

The increases will take effect Sunday. The price increase is

nearly equal to the inflation rate, which stood at 1.1 percent at the end of December.

A new high-speed train linking central Loudon to Heathrow Airport went into service Monday. Airline passengers will get free travel this week on the Fast Train service, according to the British airport operator BAA PLC. Starting Monday, a one-way ticket for the 30-minute journey from Paddingtoo Station in the west London airport, which involves a bus trip for the last 2 miles (3 kilometers), will cost £5 (\$8). When the full service npens in June, the bus trip will no longer be necessary and a one-way ticket will cost £10 to £12 and take

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North America

Europe

A storm bringing showers to east Texas Wednesday forece into the Balkan then dry and cold in Beijing will cause soulding rain across the Appalachians Thursday and Friday. Dry and mild with some sunshine in the Northwest and Southwest, but cold with filmine across the northern Plains. Mild in the Southeast Cauth and milder. Spain will be dry and cold in Beijing then dry and cold in Beijing t

North America -3/27 -4/25 24/75 3/37 22/71 17/62 12/53 9/48 1/34 8/46

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April 1

MI CHILL

es.

Will Jones Case Finally Dent Clinton's Ratings Armor? By John F. Harris solace to his political team. And yet, for all their public bravado, some for all their public bravado, some court, where Mr. Stephanopoulos where the president of the president over the years. "We think that it would be highly relevant if we were to prove at trial provides and still admire Mr. Clinton solvings of the president over the years. "We think that it would be highly relevant if we were to prove at trial provides and still admire Mr. Clinton admire Mr. Clinton solvings of the president over the years. "We think that it would be highly relevant if we were to prove at trial provides and still admire Mr. Clinton admire Mr. C

loping into the present, and again carrying the same question: What is the link between the president's private life and his public reputa-Several times a week the humor

of late-night talk show hosts hinges on the assumption that Mr. Clinton is a shameless adulterer or a sexual harasser. And yet a recent Gallup poll for CNN and USA Today showed him topping the public's list of men they 'most admired.'
During the 1996 presidential cam-

paign, a Washington Post poll found a solid majority saying Mr. Clinton does not have "high personal moral and ethical standards," even as he was coasting to re-election. A more recent Post poll showed that 52 percent were uncertain whether they Believed Paula Jones's sexual harassment charges — the other half edged mas split between those who believe mage."

Ms. Jones and those who think she's mean? lying — but that 78 percent said the allegations had not affected their opinion of Mr. Clinton.

For years, these paradoxes in Mr. Clinton's reputation have given

Will Mr. Clinton's celebrated ability to prosper amid sexual and financial controversies someday falter?

The difference now is that the Jones case, as it heads toward trial. promises to put much of his Arkansas past in a forum where it may not be possible for most Americans to

On matters of sexual ethics, Mr. Clinton has benefited from public ambivalence about the relevance of such questions - and from the artful ambiguity of his answers.

It was six years ago next week that most of the nation got its introduction to the future president and Hillary Rodham Clinton on the CBS show "60 Minutes." Then, like now, the topic was Mr. Clinton's alleged sexual indiscretions. Mr. Clinton said he had "acknowledged causing pain in my mar-But what exactly did that people...know what it means and know the whole range of things it can mean," he said.

George Stephanopoulos, a former

acknowledged that the risk of the similar conduct, not only on the part doing your best? Are you fighting

tions in a president," Mr. Stephanopoulos said, "but they don't like to have their noses rubbed in it."

While most Clinton political aides believe a trial, with its possibility of exoneration, is preferable to an out-of-court seniement, some think Mr. Clinton may want to avoid the spectacle of a Little Rock trial The reason, one said, was the damage a public parade of witnesses alleging infidelity would have on his relationship with his wife. This observer believes the Clintons have strengthened their marriage in his second term.

Ms. Jones's lawyers are now turning their attention to the critical legal debate over how much of Mr. Clinton's personal life can be explored at trial. Much of the research conducted in the last several months has reached far beyond the facts of Ms. Jones's allegations, as ber attorneys senior adviser to Mr. Clinton, thinks have investigated numerous rumors

trial is to raise questions about an of Mr. Clinton, but the state troopers aspect of Mr. Clinton's past that that guarded him while he was govmakes many people uncomfortable. ernor," said James Fisher, a Jones
"The public accepts imperfec-

Some of the president's intimates note his remarkable ability to com-partmentalize his life: The policy work who genuinely admires his wife resides in one space; the rogue who risks political standing through personal indiscretion occupies an-

One person who has worked closely with Mr. Clinton said he has heard Mr. Clinton discuss his reputation as a womanizer as though it were pure and malicions fiction, even as the president steered clear of the specific rumors and allegations that have left some of the people on his own staff with doubts.

In some ways, the public has similarly compartmentalized the allegations about Mr. Clinton. They are fair game for David Letterman, who this month had andiences chortling salaciously with a Top 10 list of Clinton New Year's resolutions:

Larry Sabato, a University of Virginia political scientist who studied the politics of personal scandal in his book "Feeding Frenzy," said the public had a somewhat similar relationship with Ronald Reagan. Especially in the waning years of his presidency, many people assumed that he was inattentive and ill-informed about critical issues hut chose not in dwell on the implications of this. "You avert your gaze and change the subject," Mr. Sabato said, especially when the overall direction of the country is

tions have hindered Mr. Clinton, who did not command a majority in his two presidential election victories, in part, because of lingering doubts about his character. And at a time when Mr. Clinton regularly stresses issues of personal responsibility and family values before andiences from students to corporate executives, some aides worry "Limit extramarital affairs to wom- the Jones case mocks that message.

POLITICAL NOTES

Senator Balks at Medicare Plan

WASHINGTON - Entering into the election year debate over Medicare, the majority leader of the Senate has come out against President Bill Clinton's proposal to allow hundreds of thousands of early retirees, laid-off workers and uninsured Americans who are nearing retirement age to buy into the federal health insurance program for the elderly.

Senator Trent Lott, Republican of Mississippi, said Sunday that he opposed adding more people to the Medicare program before a bipartisan panel has had time to study how to keep the Medicare program solvent when the haby boom generation retires and starts seeking

The 17-member commission, which is being headed by Senator John Breaux, Democrat of Louisiana, is scheduled to report by March 1, 1999.

"Let's let them look at the program, make some recommendations before we start adding more people to the system," Mr. Lott said.

Mr. Lott's remarks on CNN, a week before Congress returns to session, were another sign that health care issues will be hard fought as both parties maneuver for advantage in advance of the midterm elections of 1998.

Mr. Clinton unveiled his Medicare proposal this month to help the age group known as the "near elderly" in one of a series of policy announcements previewing his State of the Union address and the issues that Demo. (N)T to use to take back control of the House.

From Legislator to Governor?

BROOKHAVEN, Mississippi - Representative Mike Parker will not seek a sixth term in Congress, although his

life in politics may not be over. Mr. Parker, 48, a Republican who switched from the Democratic Party in 1996, is being mentioned as a possible Mississippi gubernatorial candidate in 1999.

But Mr. Parker denied he was stepping down to po-

sition himself for the governor's race. "I just plan to be a private citizen again, spend time with my family and operate my husiness interests," Mr. Parker, a funeral home owner, said Saturday.

Governor Kirk Fordice, a Republican, is prohibited from serving a third consecutive four-year term. (AP)

Away From Politics

 Avalanches killed five snowmobilers in the West over the weekend, including a stuck snowmobiler and two others in Montana who were trying to free him just north of Yellowstone National Park.

• Three Florida farmworkers ended a four-week hun-intervene in their dispute with tomato growers. (AP)

 Most of those seeking permission for an on-off switch for an anto air bag are drivers who say they sit too close to the steering wheel hub, government records show. (AP)

5 Americans Raped On Guatemala Tour

Washington Post Service

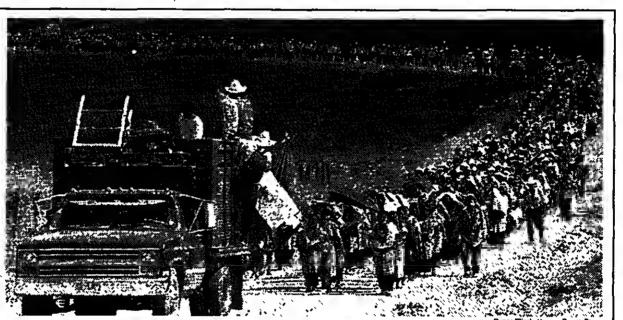
WASHINGTON - Five lege of Maryland were raped temala when four or more college officials said. gunmen stopped their bus, held all passengers at gunand robbed them, according to school officials.

member group from the col- said. lege, were attacked Friday near Santa Lucia Cotzumal- ternala said Sunday night that guapa, a center of Indian art senior Guatemalan officials to Guatemala City by bus. had been arrested.

The five students who were raped were treated at a hosstudents from St. Mary's Col- pital in the city, although none required medical attenin an isolated area of Gua-tion for additional injuries,

One of the alleged gunmen was taken into custody by point for more than an hour Guatemalan authorities and was later identified by three members of the St. Mary's The students, part of a 16- delegation, college officials

A U.S. spokesman in Guaand culture near the Pacific had told the American Emcoast, as they were returning bassy that a second suspect



MARCH FOR JUSTICE — Hundreds of Indians and supporters of the Zapatista National Liberation Army marching to army headquarters in Ocosingo, Mexico, to press for the demilitarization of the state of Chiapas.

Three Senators Elected in 'Year of the Woman' Now Struggle to Hold On to Seats

\$500 gate fees entitling them to an open bar, a roster of spunky speeches and the eampaign coffers of Senator Carol Moseley-Braun.

Sharing the stage with Vice President Al Gore and Senator Richard Durbin, among others, M. Moselcy-Braun addressed the crowd.

There's just no question in my mind hut that I could not do this without you," she told them, smiling gratefully. "I she told them, smiling gratefully. "I couldn't continue to put up with the battles and the fights and the troubles and the trials and the raising the money and all the rest of it that I know everybody in this room knows about."

The "trophles and the trials" were taken by many at the fund-raiser last week to be an obligne reference to a string of episodes that have stung the senator in her time in office, raising questions about her judgment on issues including campaign finances, her choice of staff and a secretive trip to Nigeria to meet that country's dictator.

As Ms. Moseley-Braun battles for reelection this year, things are quite different from the way they were in her

As Ms. Moseley-Braun battles for reelection this year, things are quite different from the way they were in her

As Ms. Moseley-Braun battles for reelection this year, things are quite difelection easy for most incumbents.

In 1992, said Celinda Lake, a
fermale politicians has deepened in reelection the way they were in her

"All three of them are considered vulDemocratic pollster, "gender was an iscent years as more women are encourParty is recruiting candidates in hopes of was brimming with Democrats, their the obscurity of the Recorder of Deeds office in Cook County, marshaled the anger of female voters in both parties chance to help fatten the re-election over the male monopoly in Congress, unseated a veteran Democrat and cruised to victory over a Republican rival to become the first African-American woman elected to the U.S. Senate.

Her stunning success, along with that of other female candidates, gave 1992 the label Year of the Woman. Now, many view Ms. Moseley-Brann as one of the most vulnerable senators, unlikely to maintain the support of the white suburban women who helped elect ber last challenge for her, experts say, is to dispel the negative images of her first years.

tough re-election fight. Two other sena battle, a surprising turn in a year when picking np 19 House seats and four a strong economy and relative social and Senate seats.

CHICAGO — The opulent banquer blockbuster senatorial campaign in nerable," said Susan Carroll, senior resue, and it clearly worked to women's aged to try to make the jump from state closing the gender gap that exists become in the Chicago Hilton and Towers 1992. Then, the Democrat sprang from search associate for the Center for the advantage. They represented change, legislatures to national office. The cantween it and the Democrats. American Woman and Politics at Rutgers they represented the people that the Sen-University. "Carol Moseley-Braun has ate Judiciary Committee talked down to" got all these ethical questions. Murray has got performance questions. Boxer, they will paint her as a liberal, that's probably the rap against her. And they all come forces don't exist this year," she said.

from states that can go either way." In addition, two of the three Democrats, Ms. Moseley-Braun and Ms. Murray, are being challenged by Republican women. Ms. Murray's only opponent so far is Linda Smith, a U.S. representative

known for aggressive campaigning and conservative views. In Illinois, one of the two Republicans vying for Ms. Moseleytime. Analysts say she will have to work to shore up her base of support by show-state comparoller, who has the backing of ing her effectiveness as a senator. The many Republican leaders, including Jim Edgar, the popular governor.

The shape of these races, political But she is not the only woman facing a experts say, tells a lot about the status of women in politics these days, a picture arors who were elected in 1992, Barbara that is much more complicated than it Boxer of California and Patty Murray of was six years ago, when women flowed Washington, are also believed to be in for inin elected office in record numbers,

Executive Education

Tick box

U.S.A.

when Anita Hill testified at the Supreme Court confirmation hearings of Clarence Thomas in 1991. 'Those kind of macro-

didates are tougher, the contests more

strategically sophisticated.

In Michigan, for example, Republican women are running for 3 of the 10 seats "A lot of these women come from held by Democrats, and one of the womelected positions or appointed positions an, Susan Grimes Munsell, a former in the state," Ms. Ferguson said. "That is the farm team. They know the ropes." state representative, is trying to unseat a female incumbent, Debbie Stabenow.

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Clinton Sets Strong Civil Rights Agenda

By Jonathan Peterson Los Angeles Times Service

WASHINGTON - Seiztin Luther King Day, the White House announced Monday a broad initiative to make enforcement of U.S. 1999 budget proposal that civil rights laws more Mr. Clinton will submit in powerful than it has ever Congress in early February been." a senior administration official said. The stepped-up effort will

combine a spending increase of about 17 percent with a sharper focus on preventing abuses and new efforts to settle disputes through mediation rather than trials. The new resources, if approved by Congress, would

fair-housing laws and allow pand enforcement of the Americans With Disabilities Act and investigations of police brutality and misconduct. To slash the backlog of dis-

crimination cases at the Equal Employment Opportunity Commission, the agency would place far greater emphasis on the use of mediators to settle disputes, reducing costly and time-consuming iegai struggles. Vice President Al Gore an-

nounced the ontlines of the

White House plan permanent head.

budget that restricts most do- ent agency that enforces an ing on the symbolism of Mar- mestic programs to an average gain of only 1 percent. The full details of the initiative will be included in the 1999 budget proposal that Mr. Clinton will submit in

> "This imitiative does increase resources for civil rights enforcement, 'a senior administration official said. "But, as importantly, it tries to target those resources in ways that will make civil rights enforcement more effective and more efficient."

While Mr. Clinton has sought to put a spotlight on mengthen enforcement of race-related issues and spark a national dialogue on the the Justice Department to ex- subject, his efforts have been targeted by critics on the left and on the right.

Critics within the civil rights community have not been satisfied with the Clinton administration's pace of civil rights enforcement during much of his term.

On the right, Mr. Clinton's critics have assailed his choice of Bill Lann Lee as acting head of the Justice Department's civil rights division. Mr. Lee's advocacy of affirmative action so dismayed Republicans on plan Monday in a speech at the Senate Junctary contine Ebenezer Baptist Church tee that they refused to confirm Mr. Lee as the division's

nancing from \$516 million to Employment Opportunity misconduct, a major griev-\$602 million, in a 1999 Commission — an independ- ance of minority groups.

prompted complaints from and Urban Development Deemployers that have been the subject of investigations. The five-member commission has two vacancies, including the chairman, and a backlog of 64,000 cases.

Under Mr. Clinton's forthceive an increase of 11 percent, to \$72 million, according to the White House. An undisclosed share of that would focus on preventing discrim-go toward investigating prob-ination in the first place.

On top of all that, the Equal lems of police brutality and The White House also pro-

array of employment-disposes a 70 percent increase, to crimination laws — has \$52 million, for the Housing partment's fair-housing activities. That would support a plan to monitor housing dis-crimination in neighborhoods of 20 metropolitan areas, and publicize the findings.

Architects of the initiative coming budget request, the say that spending increases civil rights division of the reflect only part of the Justice Department would re- strategy. More broadly, the goal is to improve on past bureaucratic efforts through new approaches, including a

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The Associated Press JAKARTA — About 200 supporters of the opposition leader Megawati Sukamoputri staged a peaceful protest outside Parliament on Monday.

The demonstrators, some wearing Tshirts that read "Mega for president," urged legislators to oppose the nom-ination of President Suharto for a seventh consecutive five-year term when a special 1,000-member assembly elects a president and vice-president in March. Police looked on as many chanted, "Suharto step down."

'We are here to support Megawati,' said Sandra Petrasari, an organizer of the protest. "We have to broaden the space for democratization."

Several pro-Megawati demonstra-tions have been held since she put herself forward as a presidential candidate 00 Jan. 10. Mrs. Megawati is the daughter of

Sukarno, Indonesia's founding president, who was replaced by Mr. Suharto in 1966.

Most analysts say her candidacy has almost no chance under Indonesia's tightly controlled political system, despite the country's deep economic Also Monday, in Surabaya, the capital of East Java, about 150 members of the official Roman Catholic students' organization were stopped from protesting at the governor's office by dozens of soldiers and policemen, who blocked the demonstrators from leaving their

A witness said the protesters unfurled banners at their headquarters, blaming the financial crisis on corruption and nepotism in the Suharto government. The military has vowed to battle un-

rest stemming from the economic crisis. A reporter contacted by The Associated Press said the security apparatus in Surabaya and some other districts in the province had been put on "full alert." Faced with a collapse in the value of the natico's currency, the rupiah, Mr. Suharto last week agreed to tough economic reforms under an International

signed to restore investor confidence.

Mr. Subarto, 76, recently brushed aside rumors of ill-health. He appears to be on course to be re-elected by the assembly, which is dominated by the Golkar party, the military and government appointees, including members and associates of Mr. Suharto's family.



Demonstrators carrying portraits Monday of Megawati Sukarnoputri at the Parliament building in Jakarta.

Senator Finds 'a Few Specks of Light' in U.S.-North Korea Ties

SEOUL - Senator Carl Levin said Monday that he had found a "few specks of light" in the relationship between the United States and North Korea, but that the overall the relationship remained "pretty gloomy."

The Michigan Democrat, after a threeday visit to North Korea, said that a top army commander had acknowledged, perhaps for the first time, that problems between Washington and Pyongyang "are the fault of both of us."

That cootrasted sharply with what he described as Major General Li Chan Bok's belligerent remarks to Sam Nunn. the former Georgia senator, and James Laney, a former U.S. ambassador to South Korea, when they visited North Korea late last year, Mr. Levin said.

He also said he was assured by representatives of the World Food Program, the UN Children's Fund, the International Red Cross and the UN

Development Program that food and other aid was reaching intended recip-ients, oot being diverted to the army.

Together, the general's comment and the aid assurances represented "a few specks of light in a pretty gloomy sky,"
Mr. Levin said. But he said he had detected no sign of progress toward the establishment by North Korea and the United States of diplomatic liaison offices in each others' capitals. The two nations agreed to do that in 1994.

Mr. Levin said he delivered an offer from the South Korean president-elect, Kim Dae Jung, for inter-Korean dialogue during a meeting with the North Korean deputy foreign minister, Kim

The response was very cantious," said Mr. Levin, adding that Pyongyang had a "wait-and-see" stringe toward any improvement in North-South ties. President-elect Kim also told Mr. Levin oo Monday that South Korea

would be patient and not force the issue of South-North dialogue.
The senator said North Korea still

viewed talks to which it has agreed with South Korea, China and the United States "as a ruse" to draw it into oneon-one talks with South Korea.

Mr. Levin, ranking minority member of the Senate Armed Services Committee, said he saw widespread evidence of malnutrition in North Korea, but not of actual starvation, (AP. AFP)

Taipei Chief Holds Talks In Jakarta

Siew Declares His Visit Economic, Not Political

......

Compiled by One Staff Faun Payers has TAIPEI - The prime minister of Taiwan flew to Jakarta on Monday for

talks with Indonesian leaders, ignoring accusations from Beijing that Taiper was using the region's economic off. ficulties to promote separatism from the Vincent Siew, the Taiwanese icader,"

said during a stopover in Singapore that his tour of Southeast Asia was out of economic concern and not for political

Mr. Siew did oot talk to reporters in Jakarta. An official of the indonesian government said Mr. Siew was on a private visit. He said a meeting with President Suharto was a possibility, but declined to say when or where a meeting might occur. Indonesia has diplomatic

links with Beijing, not Taipei.
The trip is Mr. Siew's second io two weeks to a Southeast Asian nation, representing a victory over intense pressure on those countries from China. Beijing considers Taiwan a breakaway province

with no right to international relations.

Out of fear of a Chinese backlash. many Southeast Asian countries rarely allow senior Taiwanese officials to visit: Last week, a Chinese Foreigo Min-istry spokesman. Shen Guofang, warned Southeast Asian governments to be on "high alert" against what he' said would be Taipei's efforts to ose the region's crisis to promote Taiwanese

But the economic crisis has forced some Asian countries to look abroad for help. Taiwan, with \$83 billioo in foreign currency reserves and little foreign debt, has remained relatively unscathed by the economic turbulence.

Indonesia, Thailand and South Korea have already accepted rescue packages from the International Monetary Fund. Mr. Siew visited Manila on Jan. 12, and reportedly met briefly with Pres-

ident Fidel Ramos. A Philippine official at first confirmed the meeting, then denied it after a formal protest from the Chinese ambassador. Mr. Siew's visits follow offers of economic aid from Taiwan to countries

in Southeast Asia whose currencies and

markets have plunged.

Mr. Shen, the Chinese Foreign Ministry spokesman, said last week that Beijing opposed official Taiwanese participation in regional economic deliberations, but was not opposed to Taiwan helping through nongovernment chan-nels. He said Beijing had expressed this position to its Southeast Asian neigh-(AFP. AP. Reuters)

CHINA: Big Military Secret, Air Defense Center in Beijing, Is Shown to Pentagon Visitors in a Sign of Harmony

Continued from Page 1

from the 1960s. Despite their "inevitable nervousness," the American official said, the Chinese tried to answer a battery of questions.

"We were very impressed, it was very significant," the official said. "The Chinese are starting to demonstrate this openness and transparency.

One of the murkiest areas of China's military is its sales of weapons of mass destruction.

Last week, Mr. Clintoo certified that China had stopped selling nuclear weapons-related material. Such sales had bedeviled U.S.-China relations for years. U.S. officials say they are still coocerned that China is exporting convectional missiles.

Mr. Cohen departed from the text of his speech to the military academy to

note his pleasure that Defense Minister world, incloding the United States," he Chi Haotian had reiterated assurances that China had halted missile sales to

That pledge was made just before the Washingtoo summit meeting, hut Mr. Cohen said Sanurday in Beijing that he would follow up on the promise. U.S. officials said there had been some confusion about whether China would fulfill existing missile sales contracts to Iran, or cancel them, too:

'I must say I was very pleased to have such assurances reaffirmed by General Chi today," Mr. Cohen said. He warned that any disruption of the flow of oil from the Gulf would damage both the U.S. and Chinese economy.

'And should that disruption occur through the use of weapoos technology provided by China it clearly would also have a damaging effect on China's re-

Mr. Cohen also tried Monday to calm Chinese concerns that Washingtoo's strengthened defense ties with Japan, Australia and recently the Philippines and Singapore were designed to contain

"Today, China is an Asian power and rightfully so," Mr. Cohen said during a speech to the Academy of Military Science. "The United States does not fear this, nor do we view China as an adversary,"

Defense Minister Chi responded that

the United States should also not fear China's push to become a regional

'It is groundless to describe the modernization drive of China's army, which is for the sake of the country's economic construction and of a defensive nature, lations with many countries around the as an unstable factor in the region," he

told Mr. Cohen. U.S. officials coted that China has begun to share some intelligence about events in North Korea. where a food shortage and an unpredictable Communist government have. combined to raise fears for the stability

of the Korean Peninsula. China has stopped calling for the United States to withdraw its troops from Asia and has chosen instead to ignore the issue for the time being. Chinese officials have also begun to share their strategic assessments of Asian developments with their U.S. counterparts.

Military contacts between the two sides, almost pooexistent in 1996, have ballooned to about a delegation a week in each direction, U.S. officials said. On Monday, Fu Quanyou, the chief of the general staff of the army, invited General Henry Shelton, chairman of the Joint Chiefs of Staff, to China this

Still, the United States appears more eager than China for the relationship to improve. In recent months, American military officials have suggested a series of events that the Chinese have either watered down or stonewalled.

BRIEFLY

Cambodian Battle Reported

PHNOM PENH — Cambodian government forces launched an artillery and infantry assault Monday oo territory held by the opposition.

Troops loyal to Hun Sen shelled forces loyal to his deposed co-prime minister, Prince Norodom Ranariddh, near the border town of O'Smach, opposition and gov-ernment military officials said. The bombardment was

followed by tank and infantry attacks, they said. Government forces have been battling opposition troops in several remote parts of the country since shortly after the prince was ousted in July.

Poll Favors Indian Nationalists

NEW DELHI - A swing in favor of India's right-wing nationalist Bharatiya Janata Party and its allies will give them the most seats in Parliament, but not enough to govern

alone, according to an opinion poll published Monday.

The survey, by New Delhi's independent Center for Media Studies, was the latest in a series that have predicted major gains for the Bharaoya Janata Party and its partners in the gener .. election scheduled to begin Feb. 16. The polis also have predicted that a coalition government will have to be formed. A party needs a simple majority to govern

UN Encoy Is Due in Rangoon

RANGOON - A United Nations special envoy is due in Burma oo Tuesday for talks with leaders of the ruling military junta and with the opposition leader. Daw Aung San Suu Kyi, UN sources said here Monday.

Alvaro De Soto, assistant UN secretary-general, will arge the ruling State Peace and Development Council to speed the drafting of Burma's new constitution and the holding of free and fair elections in the country, the sources added.

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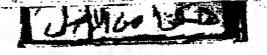
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Sinn Fein Chief Meets Blair and Derides U.K.-Irish Proposal The meeting Monday, the second time in six weeks that Sinn Fein has being set up in Scotland and Wales. The last Northern Ireland, similar to the ones being set up in Scotland and Wales. The last Northern Ireland legislature, which last Northern Ireland legislatu

LONDON — Gerry Adams and a delegation from Sinn Fein, the political arm of the Irish Republican Army. voiced strong objections to a new British-lrisb negotiating blueprint in a "frank" meeting with Prime Minister Tony Blair on Monday but said they remained committed to participation in the current peace talks in Belfast.

They also said they would not be driven from the negotiations by the actions of renegade sectarian groups who have killed six people since Christmas and bave threatened more bloodshed to drive home their objections to the talks and cease-fires being observed by the major paramilitary groups.

The number of deaths rose to six

Monday morning with the fatal sbonting of a man with links to one of the Protestant parties as he worked behind the counter of his carpet shop in the Belfast suburb of Dummurry.

Jim Guiney was gunned down at point-blank range by two men, one dressed in a wig, who then ran out the back of the store and across railroad tracks to a waiting getaway car. The Irish National Liberation Army, a breakaway Catholic group that objects to the Irish Republican Army cease-fire,

claimed responsibility for the killing. It was the murder of Billy Wright, 37. a notorious Protestant terrorist, by members of the same group on Dec. 27

that set off the current wave of re-taliatory violence. Mr. Wright's group, the breakaway Loyalist Volunteer Force, has avenged its leader's murder by killing four Catholics, the most re-cent on Sunday, Fergal McCusker, 28, a building worker from the County Lon-donderry town of Maghera, was shot and killed outside a Catholic courch as he returned home from a pub. In the call claiming responsibility, a member of the group said, "This is not the last."

party's anxiety over a document submitted to the talks a week ago by the British and Irish governments in an effort to give the balting talks what they called a "jump start." The tentative deadline for an agreement is May.

The proposal, classed as a framework for negotiating rather than a concrete settlement, suggested the creation of three legislative or consultative bodies to meet the political needs of Catholic and Protestant interests and put an end to a conflict that has now claimed more than 3,200 lives since 1969.

By James F. Clarity
New York Times Service

DUBLIN — Several renegade groups in Northern Ireland have the capacity.

and apparently the intention, to wreak

mayhem in the coming weeks with shootings and bombings, according to British security and intelligence officials.

The purpose of any attacks, they say would be to subvert the negotiations are according to the state of the security and intelligence officials.

aimed at ending warfare between the Protestant majority and Roman Catholic minority that has killed 3,234 people in the British province of Northern Ireland since 1969.

What the officials said in interviews

what the officials said in interviews confirms the widespread fear of politicians and ordinary people; that splinter paramilitary organizations like the Irish National Liberation Army, a Catholic group, and the Loyalist Volunteer

Force, the Protestant group that asserts it is behind the latest killing, will continue

the retaliatory strikes that resumed last

month and have left six people dead.

deepening the relationship between Northern Ireland and the Republic of Ireland. The third would be a ministerial body linking the three new assemblies. The document was an effort to square the "North-South" desires of Catholic republicans, who favor close ties with Dublin, with the "East-West" wishes of the Protestant unionists, who want to

remain as much a part of Britain as Scotland and Wales are. David Trimble, bead of the Ulster

A spokesman for Mr. Blair said Sinn Fein had been "reasonable and con-structive" in presenting their diffi-

nize the cease-fire being maintained by the overwhelmingly Catholic Irish Re-

by political leaders at the peace talks.

parameters for discussion and to press their objections to it within the framework of the talks. He said the way Mr. Adams and his colleagues presented their case left no doubt that "Sinn Fein are engaged in this process fully" and that there would be more meetings.

Standing before the door with the silver No. 10 on it. Mr. Adams said,

We understand and we have said many times that the task of getting the British government to face up to its historic responsibilities is a very daunting challenge. Perhaps none of this can be settled out in one meeting."

ning against him: a far-right leader, Miroslav Sladek, currently in jail charged with inciting racial hatred, and Stanislav Fischer, a 62-year-old astrophysician supported by Communists. (AFP)

Havel's Re-election **Expected Tuesday**

PRAGUE -- President Vaclay

Havel, the former dissident turned

statesman, is set for re-election

Tuesday in a parliamentary ballot he hopes will help keep his country on track to join the European main-

But Mr. Havel's expected suc-

cess is clouded by both political and economic turmoil in his homeland,

and by his ailing health eight years after be belped topple the Com-munist regime. He is 61. Mr. Havel is expected to be elect-

ed virtually unopposed in the vote in the two houses of Parliament.

Two marginal candidates are run-

Lobbies Politicians ANKARA - The Islamist leader Necmettin Erbakan began a series of nieetings Monday with political leaders in an attempt to soften the blow of a court ban against him and his opposition

Turkish Islamist

Welfare Party. Mr. Erbakan went into talks in Parliament with Bulent Ecevit, a staunch secularist in Prime Min-ister Mesut Yilmaz's coalition. Later, he was to see Husamettin Cindoruk, a conservative,

The constitutional court on Friday disbanded Welfare for threatening Turkey's socular principles. It also threw Mr. Erbakan out of Parliament and forbade him from playing a leading role in politics for

Hague Trial Starts For Croatian Serb

THE HAGUE - A Croatian Serb conununity leader charged with helping to organize and carry out a 1991 massacre went on trial. Monday for war crimes and crimes

against humanity.
Prosecutors at the Yugoslav war crimes tribunal say Slavko Dokmanovic, 48, played an instrumental role in the beatings and killings in the Croatian town of Vukovar. (AP)

Unionists, the largest Protestant party, expressed satisfaction with the proposal. but Sinn Fein said it caused concern in its community because it appeared to make One would be a new legislature for

[Gunmen from the Irish National Lib-eration Army killed a Protestant shop-

keeper Monday in apparent retaliation for the slayings of four Catholics in the

last three weeks, The Associated Press reported from Belfast. The group, which

precipitated the current round of violence by killing the jailed leader of a renegade

by killing the jailed leader of a renegade Protestant gang, claimed responsibility in a coded call to the BBC in Belfast.] The officials and other experts fa-miliar with the operations of the guer-rilla groups provided detailed descrip-tions of how the groups operate. They conclude that the police can prevent

some attacks through intelligence work,

but that the splinter guerrillas are still capable of quick, deadly shootings or bombings that could destabilize North-ern politics, Protestant and Catholic ne-

gotiators at the peace talks, they say, could feel compelled to stop negotiating

and to attack each other, with invective

but not indisputable evidence, as allies

The renegade groups do not recog-

of sectarian killers.

On emerging from the prime min-ister's official residence Monday, Mr.

Adams said, "Anyone who thinks an internal settlement is going to work, or some assembly with a few nationalist knobs stuck on to it is going to work is not living the real world." Sinn Fein's general secretary, Lu-cilita Bhreatnach, said the conversation

with Mr. Blair and the secretary for Northern Ireland, Mo Mowlam, had been "frank."

Kenegade Groups: A Deadly Third Force in Ulster

most likely to attack are the Loyalist Volunteer Force and the Irish National Liberation Army, a Catholic group. Their techniques are said to be similar. As neither bas a complicated com-mand structure, the officials say, a typpublican Army and the main Protestant paramilitary groups: the Ulster Defense Association, its affiliate the Ulster Freedom Fighters, and the Ulster Volunteer Force. All those groups are represented ical scenario might be two or three Prot estant guerrillas sining in a pub, drinking and discussing politics. "Let's Since the peace effort began in 1993, kill a Catholic," one might say.

Catholic groups have killed 81 people, Protestants 110. But since peace talks began 19 months ago, most of the killing bas been done by splinter groups.

"There is a very real threat," said Chief Constable Ronnie Flanagan, the They get automatic rifles or pistols out of hiding places, steal a car, drive to where they know they will find Catholics, probably at a pub of social dist olics, probably at a pub or social club, and shoot. They speed away to a Prottop police official of Northern Ireland, estant area where they burn the car and slip into a safe house, which could be where most Protestants want to remain British and most Catholies want a united one of their own homes, run their Ireland, free of British control. "Part of their motivation," he said, speaking beclothes through the washing machine to remove gunpowder residue and other forensic evidence, sit with their families and watch an English soccer game on fore the most recent killing, "is to wreck Another part would be the senlement television, all in the unlikely event that of internal disputes among terrorists and the police arrive to question them.

The police say such operations are virtually impossible to prevent or trace. their supporters. According to Mr. Flanagan and other officials, the groups

Historian Fails to Bolster Papon

the ongoing peace process.

BORDEAUX, France - In mucbawaited testimony Monday, a historian expected to provide evidence bolstering the defense of the accused Nazi collaborator Maurice Papon hardly mentioned the defendant's name.

Instead, the bistorian, Michel Berges, argued mainly that the World War II

period was fraught with uncertainty.

Mr. Berges had been expected to
provide the Bordeaux court with names of Jews that Mr. Papon, a former cabinet minister, said he had saved from de-

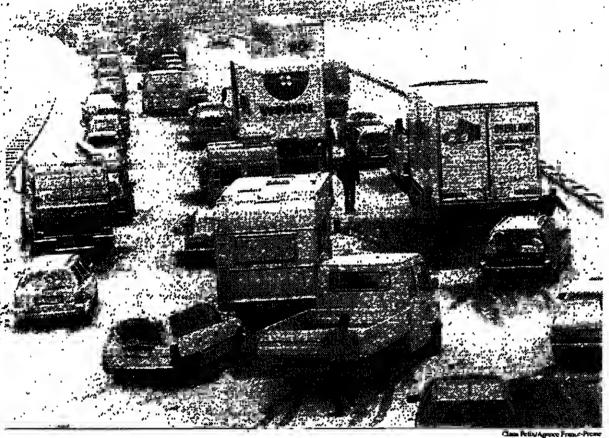
portation to Nazi death camps. Mr. Papon, 87, is the highest-ranking

official of the pro-Nazi Vichy regime to stand trial for crimes against humanity, He is charged with signing the arrest orders that led to the deportation of 1,690 Jews, including 233 children, from the

Gironde region during World War IL

Mr. Berges' testimony had been awaited because he helped bring Mr. Papon to trial, but was now appearing as witness for the defense.

The defense was counting on Mr. Berges, 45, to back Mr. Papon's claim that he had tried to sabotage Nazi orders to arrest and deport Jews from the Gironde region, including Bordeaux, and that he had intervened to save Jews.



FREEZE-UP ON THE AUTOBAHN — Skidding vehicles trying to crawl uphill on a stretch of Bavarian highway near Pegnitz during rush hour Monday, as snowy weather swept over most of Germany.

Yeltsin Returns to a Shift in Power

By Daniel Williams Vashington Post Service

MOSCOW -- President Boris Yeltsin returned to the Kremlin on Monday for the first time in more than a month to preside over a government in which the balance of power bas shifted to the conservative Prime Minister Vicfor Chemomyrdin and away from vounger market reformers.

Mr. Yeltsin started bis first day at work by scolding top officials for failing to pay back wages to tens of thousands of government employees by a Jan. 1 deadline. "Last year was a failure as far as our obligations were concerned," he said during a televised meeting.

Mr. Chernomyrdin argued that the wages had indeed been paid on time. despite numerous reports to the contrary. "We gave everything to every-body," he said, adding that, "We accomplished what was mentioned in our

obligations."
"That is not so," Mr. Yeltsin responded tartly.

In the past, such lapses have cost cubinet members jobs, but there was no sign yet that Mr. Yeltsin intended to dismiss the ministers responsible. Anatoli Chubais, a first deputy prime minister, is particularly vulnerable because he was directly responsible for making payments on time.

Mr. Yeltsin's return eased, for the moment, uncertainty about his state of

health. He fell ill in December, dropped from sight, canceled meetings, and only returned to public view in brief, staged video appearances. All the while, his aides insisted nothing was seriously wrong with him.

No one seems to believe them, and newspapers are speculating about the start of a post-Yeltsin era and the jockeying for position before presidential elections scheduled for 2000. Mr. Yeltsin has made comebacks before in the first half of 1997, be returned in robust form after recovering from major

heart surgery. Yet, political betting seems to be against another revival.

"The general feeling is that Yeltsin is in decline, so the maneuvering to pick up authority is intense," said Eugenia Albats, a journalist and political observer.

So far, Mr. Chernomyrdin appears to be leading the sweepstakes. In a redistribution of cabinet powers he announced last week, Mr. Chernomyrdin was the main beneficiary.

He declared himself the final word on major economic maners, including energy, monetary and credit policy and banking. He also granted himself powers to oversee Russia's so-called 'power" ministries: the army, police and intelligence.

Mr. Chernomyrdin's harvest prompted newspaper commentators to describe him as a regent for an ailing Mr. Yeltsin. "The strengthening of Prime Minister Chernomyrdin is no doubt un-

precedented." Izvestia wrote. "The head of government is turning into a figure that is almost as great as the president," it said, adding, "and with the president's consent.'

"With his new powers, Chernomyrdin now looks more like a vice president," Nezavismaya Gazeta said.

Many Russian commentators regard Mr. Chernomyrdin as a possible successor to Mr. Yeltsin. By law, should Mr. Yeltsin become incapacitated, Mr. Chernomyrdin would head a caretaker government for three months before new elections. That would give him incumbency advantages in the race for president.

Nezavismaya Gazeta went so far as to say that with Mr. Chernomyrdin's powers, "the problem of an official successor to Boris Yeltsin may be con-sidered settled."

In the cabinet, Mr. Chernomyrdin

was rivaled by the reformist team of Mr. Chubais and Boris Nemtsov. Mr. Chernomyrdin favors the unfettered business practices of the country's large monopolies, especially the oil and gas giant Gazprom. Mr. Chubais and Mr. Nemtsov had campaigned for a breakup

of monopolies and for putting legal reins on big business. Until the shake-up, Mr. Yeltsin's governing strategy had been to keep the rivals in rough balance. Now, the bal-ance is in Mr. Chemomyrdin's favor, Russian observers say.



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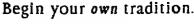
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Paris Court Sentences Islamic Militants

PARIS - Twenty-two members of an Islamic guerrilla network were sentenced by a French court Monday to prison terms ranging from four months to six years. Seven other people were acquitted, despite pleas from the prosecution that

they too be jailed. Prosecutors charged that the accused, most of wbom are Tunisians and Algerians, belonged to n group formed by the Tunisian Islamic Front, but were connected to the Armed Islamic Group of Algeria, which is suspected of car-

rying out that country's massacres.

The French group was rounded up after a routine police check in July 1994 found that four of its members in Perpignan, near the border with Spain, posssed rifles, pistols, ammunition and

military uniforms. A series of arrests followed in France and Germany. Bonn subsequently extradited the group's presumed leader, Abderrazak Arroum, a Tunisian veteran of the Afghan war, to Paris. He was

sentenced to the beaviest prison term:

Charges against the defendants ranged from membership in an illegal organization to possession of military weapons and immigration offenses, but they were not charged with any acts of

Despite the sentences, many of the accused were released at the end of the court hearing because they had already served their sentences in pretrial de-

pectors complete their work in Iraq, the United States and other countries are seeking not only to neutralize the Iraqi military threat, but also to fit Baghdad against the spread of weapons of mass The goal would be to create permanent

By Joseph Fitchett ernational Herald Tribune

PARIS - By insisting that UN in-

obstacles to prevent President Saddam Hussein or his successors from resuming trag's efforts to acquire missiles with nuclear, hiological or chemical warheads we know what questions still have 10 be after sanctions were lifted. More broadly, the long-term surveillance would test took so long because Iraq's own acwhether such systems are effective against other rogue governments with ambitions to acquire such weapons.

"It may be the only test case we get to show that prevention works," said a U.S. official helping to devise nonproliferation policy. If Iraq's arsenal can be successfully inspected and then subjected to long-term monitoring, the precedent will holster confidence in a set of recent treaties curbing or banning nuclear, chemical and biological arms, be said.

Few people are more conscious of these wider implications than Richard Butler, the Australian diplomat who heads the UN inspection team and who is commission charged with the inspections

unusually detailed explanation of how a program of long-term surveillance that ments," Mr. Butler said. would allow Iraq, even with a suspect

West Seeks Lasting Curbs on Iraq

regime, to operate as a normal country. military threat, hut also to fit Baghdad into an international arms control system terview, is a clear baseline showing what progress Iraq secretly made in the past in ts weapons programs. That provides an initial basis for tracking Iraq once sanctions are lifted.

After seven years of combing through the Iraqi weapons establishment, "now answered," Mr. Butler said. The process were never remotely cred-

That pushed the inspectors to decide that Baghdad was deliberately concealing as much information as it could. Subsequently, the inspection process relied heavily on intelligence from the United States and other governments. Gradually, governments began to tell

UN inspectors about companies that had supplied equipment, supplies and technology to Iraq for making advanced weapons, enabling them to uncover Iraqi programs and installations.

To keep the data flowing, the UN

now in Baghdad. During a stopover in Paris on his way there, he provided an companies in order to spare embarrassment to governments. "Realistically, we the inspections in Iraq could evolve into had to leave any action up to govern-

Big questions remain about chemical arms and biological warfare, the other two categories under investigation as the UN commission tries to put Iraq's different kinds of weaponry under the appropriate international disarmament regimes.

Nuclear weapons facilities, which were located and destroyed by the International Atomic Energy Agency, will be placed under the safeguards regime laid out by the nonproliferation treaty signed by all major nations.

In describing the long-term diplomatic strategy for policing Iraq, Mr. Butler said that UN inspectors are close to getting a strong grasp of Iraqi missile

Although the Iraqis have always denied making chemical weapons, the inspectors have uncovered and destroyed a stockpile of nearly four tons of VX, a nerve agent Even though concerns remain about sarin and other gases, Mr. Butler expressed confidence that, with a few more inspections, Iraq could be controlled in future under the provisions of the 1995 treaty banning chem-

Most difficult of all are biological biological weapons lacks enforcement Butler said.



Richard Butler, the UN weapons inspector, passing a portrait of Saddam Hussein in Baghdad on Monday as he arrived for a three-day visit.

tinguish from legitimate medicines and can be produced without big separate facilities. They are more dangerous than chemical weapons: British scientists contaminated an island with anthrax spores in the 1950s that remained active until four years ago.

The international coovention banning

weapons, which are often hard to dis- provisions, so it would have to be expanded to provide for aerial surveillance and for international exchange of intelligence about products and people involved in some special applications of biology, officials said.

"It's a big job, but it can be done with regard to countries that have to import what they need to make weapons," Mr.

EU Officials Off On Algerian Visit

LONDON - Three European Union junior ministers left Monday for Algeria to hold talks on how the,

EU can help stop massacres there.
The EU team, plus European Commissioner Manuel Marin, will meet Algeria's foreign minister, Ahmed Attaf, opposition members of Parliament and newspaper editors during the 24-hour visit.

The Algerian government has made it clear that the mission is not entirely welcome and will not be allowed to visit sites of killings and

alleged mass graves.

No one has claimed responsibility for the attacks, but the government blames Muslim terrorists for the killings of civilians, including more than 1,100 who have been massacred since the holy month of Ramadan began Dec. 29.

The level of the EU visit was changed from senior officials to innior ministers late last week after Algiers rejected a trip arranged by Britain, which holds the six-month

rotating EU presidency.
The visit coincides with reports of more killings on Saturday and

IRAO: Butler Begins Talks

one by one as an incentive to Iraq to cooperate more fully. Closing a file switches the method of disarming and watching Iraq from what are regarded as intrusive inspections at short notice to a longrange monitoring system similar to that accompanying an tions concerning the install-international arms control ation.

treaty The technical reviews, When a group of international review assertions by Iraq that it had accounted for all biological weapons and production facilities, the panel concluded that the Iraqi report was "not remotely cred-

In December, Iraq again declared itself free of germ warfare.

"We don't agree," Mr. Butler said. "We don't agree not because we are suspicious people hut because disarmment can't be decided on the has to be verifiable." . . .

questioned about Scott Ritter, arms production. the American who led a team riday, a day carly.

"I'm going to get tired makes it tougher, on of the personalization "The last lap of this race soon of the personalization stuff," Mr. Butler said in a tone of exasperation. mean, it really has to stop.

again: The man in question is

Continued from Page 1 a professional. He is not a spy. He works for the United Nations. I don't want to have to

say it again. Mr. Butler said that Mr. Ritter had been asked to look for evidence of germ-warfare testing on prisoners during a prison visit last week, but only in a "subset" of ques-

Nizar Hamdoon, Irag's representative at the United however, have proved to be a Nanions, listed the search for two-edged sword in the past. germ-warfare evidence as one of Baghdad's grievances experts was asked last year to against Mr. Ritter in a letter to the Security Council last

> "I was stunned when the Iraqi permanent representative put that into the public arena," Mr. Butler said. He added that he had intended not to publicize these longheld suspicions because he knew Iraq would be sensitive to the charge.
>
> Mr. Butler called the fix-

ation with Mr. Ritter a diversion from the real issue, which was that the team basis of declaration alone. It barred from inspection had special expertise in the con-Mr. Butler was especially, cealment of weapons and

This is not a subject with of specialists on concealment which Iraq feels comfort-of evidence to Iraq last week able," be said. "The closer and was barred for two days we get to the end, the closer from carrying out inspections. We get to last pieces that have Mr. Ritter left Baghdad on been 'concealed' - quote. unquote - of cours

may be the hardest lap."

continued. ean, it really has to stop.
"I've said over and over Otherwise, Lord knows what will bappen.

Army Takes Sierra Leone Town

BRIEFLY

FREETOWN, Sierra Leone - Pro-junta forces in-Sierra Leone have recaptured the key diamond town of Tongofield from militiamen loyal to the ousted president,

Ahmad Tejan Kabbah, a junta spokesman said Monday.
"We threw in virtually everything we had as the town is strategically important to the army," said the director of defense information, Lieutenant Colonel John Milton: who said the army had takeo the town back late Sunday.

No casualty figures were available.

Zimbabwe Rescinds Price Rise

HARARE, Zimbabwe — The Zimbabwe government. ordered millers Monday to reverse a 21 percent increase in the price of the staple corn meal, hours after the capital.

Harare, was rocked by violent protests over consumer, prices, the state news agency ZIANA reported.

It quoted Industry and Commerce Minister Nathana Shamuyarira as announcing the order and saying that

President Robert Mugabe's government was going to review all recent increases in basic commodities.

"The government no longer controls prices," the: agency said. "Prices are now set by producers of each. commodities. However, government has looked into proposed increases by millers. This step has no justification. The measure will be withdrawn forthwith."

Schools Reopen in Montreal

MONTREAL - Thousands of students went back to schools and universities in Montreal that reopened Mon-day — some for the first time since the holidays — after

a severe ice storm. A half millioo people throughout Quebec remained. without power for a 14th day. About 3,000 electricians worked to restore electricity. About 95,000 students in the worst-affected areas

around Montreal will be out of school another:

WASHINGTON — U.S. government figures show. that the cultivation in Andean countries of coca, the raw material used to make eocaine, dropped sharply in 1997... But cultivation in Colombia increased sharply, virtually: ensuring that the nation will continue to be treated as a pariah state.

Coca Output Falls in 2 Nations

This is the second year that coca production has fallen overall, and it is the largest overall decline ever. While production fell dramatically in Peru and modestly in Bolivia, it increased in Colombia, according to the recently compiled figures. U.S. officials said they find the net reduction encouraging.



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INTERNATIONAL

As Failure Rates Mount, South Africa Confronts a Crisis in Its School System

By Lynne Duke Washington Post Service

JOHANNESBURG — Jabulani Morewa, oumping-equipment salesman and father of a school-age son, sometimes would see teachers lounging over drinks in a local bar in the Joharmesburg community of Soweto — when classes were supposed to be in session.

Mr. Morewa knew the teachers' behavior was wrong. But schooled in the ethic of the antiapartheid struggle not to snitch to the authorities, Mr. Morewa did not report the teachers.

Few other parents were willing to do so, he said. "Why should I be the only one?" Mr. Morewa figured it would be safest not to draw attention to himself, not to court the retaliation that could come from rocking the boat.

But the school system that Mr. Morewa silently tolerated has failed his son. An aspiring mechanical engineer, Arthur Morewa, 17, said he was "broken hearted" to be among 293,867 South African high school seniors who failed

their senior certificate exams The test results, announced last week, showed

that 53 percent of the nation's seniors could not schools that flourished under apartheid still are schools into battlegrounds and transformed sturrated a new curriculum, to be phased to over pass the test, which qualifies students for a high

The 1997 pass rate was 7.6 percentage points below 1996, continuing a steady decline that began in the apartheid era and dealing a hlow to the nation's efforts to throw off the racial limitations imposed under white-minority rule and provide a quality education for all its children.

Now the government of President Nelson Mandela is caught in a complex tangle that many here call a crisis.

Some say the poor exam results were to be expected from a system in which the culture of learning and teaching already was shaky and now is undergoing fundamental change. Those analysts say that new policies to transform education will produce positive results in coming years.

But others accuse the government of adopting middled policies and not acting more decisively to buttress a school system battered by the nation's recent history.

Though South Africa no longer compiles edu-cation statistics by race, a variety of analysts agree that the exam results reveal that the white

University of the Witwatersrand in Johanneshurg said: "If we disaggregate the results in terms of color and class, schools located in the richer communities - and in South Africa, that trans-

lates into white communities — fare better.
"If you're in a school which doesn't have electricity or toilets or water, on library, no laboratory, where teachers are inadequately trained it's going to affect the quality of learning."

A recent survey of school needs nationwide showed that \$2 percent of South African schools have no media equipment such as televisions, computers or videocassette recorders; 72 percent

have no library; 57 percent have no electricity. The problems stem, in part, from the legacy of apartheid, when educational policies and resources were geared to sustain the socioeconomic supremacy of South Africa's whites, who make up 12 percent of the population.

The anti-apartheid resistance that developed

among black students in the 1970s and '80s turned

flourishing, while the hlack schools that lan-dents from classmales 10 comrades under the guished continue to do so.

Salim Vally of the Education Policy Unit at the and parents learned to toe the students' line. slogan "Liberatinn before education." Teachers

teaching could be done, students like Arthur Morewa entered the first grade.

Now, with a hlack-majority democracy installed after the country's first all-races election in 1994, the Mandela government is attempting to umavel the tangle and overhaul an educational system beset by policy, budgetary, staffing and orale problems.

To promote equality in the classroom, the new government has done away with the 14 racially and regionally separate education departments that once were gatekeepers of apartheid education. It has made education compulsory for all children, not just for whites - as in the old days and it has stripped schools of the power m exclude students on the basis of race.

Teachers slowly are being retrained, and communities are getting more of a say in schools through governing councils of students, teachers and parents. The government also has inangu-

several years, that it hopes will transform schools inm humming laboratories of learning.

But some analysts say that the government's And in the midst of this mayhem, when little success in creating the structure of an equitable education system has not been matched by efforts to end the upheaval to which many schools have been accustomed. And the government's policy of austerity and fiscal discipline means that spending

on education has had to be kept to a minimum. But other analysts suggest that something else is at play in the system. They point to schools where, against all odds, students achieve remarkable exam results, such as one in the deeply impoverished community of Orange Farm, south

Johannesburg, with an 89 percent pass rate. These analysts say the root of the problem is the absence of a learning culture. Schools here are often franght with political conflict, intimidation, fear and suspicinn because traditional roles have been reversed. Teachers don't trust students after two decades of anti-apartheid agitation and protest that, at times, meant teachers who got in the way were harmed. This has left teachers dispirited and uninterested, experts say.

Seeking the Right Spin: R 10: Hand Begins Like Can Castro Convince Cuba The Pope Is on His Side?

By Larry Rohter
New York Times Service

HAVANA - With Pope John Paul II scheduled to begin his visit to Cuba on Wednesday, the Cuban government and the Roman Catholic Church here are locked in behind-the-scenes maneuvering that ultimately will determine to what degree the political impact of the trip is muted or enhanced.

In public, those involved continue to say that the visit is "purely pastoral" in purpose and that all is proceeding in

Using the newspapers, television and radio stations that Fidel Castro has controlled since 1959, the Cuban president has sought in recent days to portray the Pope as an ally in the struggle against 'American imperialism.

"We want to see a full house," Mr. Castro said during a five-and-a-halfhour national television appearance that ended early Saturday, adding that he planned to attend a Mass at the Plaza de la Revolucion here on Jan. 25. Cubans should attend "ont of courtesy, out of politeness to the visitor," he said, and cautiooed, "No one should be shouting 'vivas' at any leader of the revolo-

But at the same time, the Cuban gov-crete changes.

"That would be a miracle," one people themselves.

Working quietly, the church has been trying to expand the limited space available to it in a one-party state that was officially atheist for 30 years, until 1992. As part of the extensive negotiations that followed the first meeting between John Paul II and Mr. Castro, at the Vatican in November 1996, the Cuban church has already secured an increase in visas granted to foreign clergy. The church is also pressing for regular access to the state news media and permission to offer religious instruction in Cuban schools. Mr. Castro has sought the papal visit,

diplomats and religious leaders here suggested, because he is confident that he can direct its packaging and presentation in a direction that suits his political

They said the Vatican and the Cuban government had an implicit understanding that the Pope would reiterate the church's long-standing criticisms of the American economic embargo of Cuba and what one senior Cuban official called "the vulgar materialism" of the

Referring to the newspaper of Cuba's Communist Party, Mr. Castro said in his televised remarks over the weekend that some of the Pope's speeches read as if they were written by "a journalist from Granma, although of course I am not going to accuse the Pope of being a

. The Pope, he added is "a big headache for the unipolar hegemonism of the United States" and "of imperialism, because he is not a man who can be manipulated?

For that reason, it is not correct m classify the Polish-born Pope as the "angel of death for socialism, communism and revolution," Mr. Castro said.

Mr. Castro also said, "Instead of a meeting between an angel and the devil. wouldn't it be better to think of a meetog between two angels who are friends of the poor?"

Taking their cue from their leader, other Cuban officials have also spoken with admiration of the Pope and the

'hurch's social mission.

At the level of individual churches ind neighborhoods, though, the situation is far more complicated. Churchoers, whose numbers have risen rapidly luring the "special period" of economc austerity that began with the collapse if the Soviet Union, still complain of ifficial repression of the sort that ocurred in the Havana neighborhood of

Airamar on Saturday afternoon. Youngsters enrolled in catechism roups at Santa Rita de Casia Church ere happily pasting small posters prolaiming the arrival of "the messenger f love and hope" onto trees and poles

Fred this at latter

A police officer on a motorcycle aproached them and ordered them to stop. You know, there's a directive of the arty forbidding this," he said sternly. The adult who was supervising the hildren asked, "How can that be if the resident himself said on television last ight that it's all right, and he is the cretary-general of the party?'

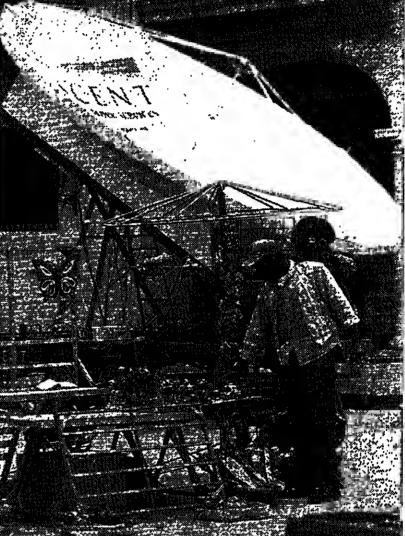
"Well, I don't know anything about that," the police officer replied. "All I know is that I've told various other groups to stop, and nobody else has given me any back talk. So it's best that you stop now, because if you don't, people are just going to get upset and tear those posters down."

With that, the children returned dejectedly to their church as an adult stayed behind. A few minutes later, a man in civilian clothes arrived and told the police officer to let them resume. But when a separate group headed out from the church in another direction, it too was rehuffed, this time by a different police officer.

Ultimately, diplomats here said, both the Pope and Cuban Catholics aspire to a much more visible and prominent role for the church here. The precise dimensions of that role have not been made clear, but the church's desire to use the Pope's visit as a springboard are ohvious.

For the moment, the average Cuban can only watch and wait as church and state jockey. As a group of residents of downtown Havana waited in line on Sunday morning outside a hutcher shop that is across the street from a church, they were asked if they expected the Pope's visit to result in immediate, con-

it difficult for the church authorities to woman said with a laugh. "And as Cubans, though we have learned to hope for miracles, we cannot bring ourselves to believe in miracles."



A Havana street vendor setting up Monday near a satellite dish, dozens of which have been deployed around the city to broadcast the Pope's visit.

Combine different species, several expectation of possible different species, several expectations of possible different species and possible different species are possible different species.

Continued from Page 1

progress made by Mr. Prodi's government in hringing Italy's deficit levels to such abrupt finctuations. down. At the same time, Mr. Kohl must avoid giving the impression that polit-men" to discuss relations between the ical rather than economic considerations euro zone and foreign trade partners, would influence the decision over EMU membership, they said.

Italy and other countries hoping to join the currency union still have one bilities that will fall on us' once the euro more hurdle to cross — the examination of their 1997 financial results hy the EU's executive arm, the European Commission, at the end of March.

The EU finance ministers said they considered that measures included in Italy's just-released 1998 budget would gross domestic product, well within the 3 percent target needed to join monetary union. The ministers also said they "welcomed the major reforms introduced or completed by Italy" since it began a final dash to meet the criteria last summer.

They noted, however, that a number of potential problems remained, including a short-term loss of revenne caused by tax reform and the need to consolidate work on pension reform. But they said they were taking into account the newed commitment made by the Italian government to introduce corrective mea-

sures in the event of any slippage."

Carlo Azeglio Ciampi, the Italian treasury minister, made his case to his fellow ministers Monday, saying that his government was considering presenting its annual three-year budget program ahead of the May meeting on the single currency. By bringing it forward, Italy would try to offer proof of the sustain-

ability of its deficit-reduction effort. Mr. Ciampi has stressed that Italy is working hard to reduce its public-sector debt, which is still running at about 120 percent of gross domestic product, or twice the target level contained in the Maastricht treaty that governs monetary union. The treaty does allow for governments that exceed the 60 percent target to qualify for EMU as long as the direction of their public debt as a proportion of GDP is trending lower.

Despite the political accolade given Monday, analysts still expect some skeptics to question Italy's ability to stain its fiscal rigor until the time of the May meeting, to be held in Britain.

"The politics of EMU imply that Italy will probably get in, but we will have speculation until the last minute," said Ken Wattret, an economist at Paribas in

The finance ministers also said Monday that the financial crisis in Asia made monetary union more necessary than ever, as the single currency would help the EU resist currency and trade shocks. Belgium's minister of finance and foreign trade, Philippe Maystadt, said

EMU: Union Foreign Ministers Cheer Italy Zimbabwe Seizure the "violence" of the Asian crisis had Of Farms on Hold shown the extent to which the inter-

national financial system was vulnerable The Associated Press HARARE, Zimbabwe - A gov-He called for a committee of "wise ernment program to seize whiteowned farms will probably be particularly the United States and Japan.

He said it would be an "important test of our capacity to assume the responsisaid Monday. was adopted. His proposal was not welcome to the countries that will be outside the euro zone - Britain, Sweden, Denmark and Greece. Britain, which fought and lost a

bid to be a member of the informal council that will rule over the new currency, holds enable the country to achieve a targeted- the EU presidency and would be expected reduction of the deficit to 2.8 percent of to enact the Belgian proposal if it was approved by a majority of countries. Mr. Brown conceded that the Asian crisis could affect jobs and prosperity in the EU. "Europe has a higher volume of

exports to the region than the United States, a greater banking exposure than the United States and Japan combined," The Spanish finance minister. Rodrigo Rato y Figaredo, said the crisis showed 'we need a euro even more than in the

past." And Dominique Strauss-Kahn, the French finance minister, said, "In a time of instability in Asia, we need to ensure that Europe is a pole of stability.

■ French Candidate for EBRD

France confirmed that it had proposed candidate to head the European Bank for Reconstruction and Development, as EU finance ministers were preparing to discuss a French candidate for the future European Central Bank, Blonmberg News reported from Brussels. Mr. Strauss-Kahn said Philippe institutions, the European Union In return for the aid, said Jens

delayed by strict aid conditions set by Western donors and financial Lacrk, head of an EU delegation in

Harare, the Union received written guarantees that the takeover of more than 1,400 farms would not cause the nation's budget deficit to exceed the 8.2 percent of gross domestic product forecast this year or hinder agricultural production.

Because of those conditions, Mr. Laerk said, "it seems not very prob-able that land reform can proceed this year.'

Lagayette, the former head of Caisse des Depots et Consignations, the country's largest financial institution, is the French candidate to be head of the EBRD, which is based in London and promotes economic development in Eastern Europe. The term of EBRD's current chairman, Jacques de Larosiere, will end in

The search for Mr. de Larosiere's successor has been complicated by Paris's decision in November to put forward its central bank governor, Jean-Claude Trichet, as a candidate to head the European Central Bank

Wim Duisenberg, former head of the Dutch central bank and current head of the European Monetary Institute, the forerunner to the ECB, had been considered the agreed candidate.

American Scientists Clone 5 Species of Mammals

Experiments Expected to Intensify Ethics Debate

By Robert Lee Hotz

LOS ANGELES — Using cow's eggs as incubators, scientists at the University of Wisconsin-Madison have successfully cloned five species, including primates, in an experiment that ethics experts expect will intensify an international furor over human cloning.

Los Angeles Times

The new findings, which were to be presented Monday at a research meeting in Boston, offer evidence that the unfertilized eggs of one species can be combined with adult cells taken from a wide variety of animals, including sheep, pigs, rats, cattle and rhesus monkeys, to create viable embryos.

So far, all the pregnancies have resulted in miscarriages, the researchers acknowledge. The Wisconsin scientists do not yet know whether they just need to refine their techniques or whether, as a matter of fundamental hiology, nature was rejecting their creations.

Nonetheless, several experts said it was the first independent confirmation of the technique used by researchers at the Roslin lastitute near Edinhurgh, Scotland, to clone a sheep named Dolly the world's first mammal made from an adult cell. Other researchers who have cloned animals to try to duplicate that feat have used embryonic or fetal tissue, not fully developed adult cells.

But the Wisconsin experiment also takes the cloning of mammals into a new

Moreover, it suggests the molecular machinery responsible for programming genes within the cytoplasm of an egg may be similar in all mammals, the Wisconsin researchers said. That offers the possibility that eggs of one species can be used as a universal incubator for cloning any adult mammal cell, including — theoretically, at least — those of

human beings.

If perfected, the new technique one day could have broad applications, from development of customized tissue cell lines for human transplants to more efficient ways of genetically engineering farm animals, the Wisconsin scientists said. It also could offer a way to preserve species threatened with extinc-

The findings also raise a host of questions about whether this technique could, or should, be applied to humans. The research is so new that no one has any clear idea what utility there might be in using human cells to create transspecies clones, by transplanting a human nucleus into an animal egg or vice

"If it turns out you can do this so readily in other species, perhaps it can be done in humans this quickly as well," said John Robertson, an expert in hiomedical ethics at the University of Texas and co-chairman of the ethics committee of the American Society of Reproductive Medicine.

"It may be much too soon to even think dimension by using the technology to of any human applications, but it indicates

BELGRADE: Explosion of Pornography

Continued from Page 1

trying to cope with mounting violence by the ethnic Albanians in the Kosovo region of Serbia, who want independence. And in Montenegro, which along with Serbia makes up all that remains of Yugoslavia, separatist forces are building under a new government critical of Mr. Milosevic.

The effects of the social collapse have been devastating. Distraught teachers say they struggle to cope with children as young as 11 who have been exposed to graphic scenes of sado-masochism on television. Domestic violence, often by meo who are out of work or who have not received their small salaries for months. also appears to be widespread, sociologists say. Crime is endemic.

"This stratification of society is part of a general trend in Eastern Europe," said Zarko Korac, a professor of clinical psychology at Belgrade University, "but in this country it has taken a more sinister form. The sanctions and the war created a much richer and uglier underworld.

"They are our carpetbaggers who hay up the property of the Belgrade elite. even the old communist nomenclature. We have descended into barbarity, into the crudest forms of life. We live in a world of moral idiocy. I watch the smiling face of Milosevic, who seems incapable of remorse or pity, and wonder if be is not the devil incarnate." The trend Mr. Korac referred to began

with the collapse of communism, which saw a rupture of the social contract in Eastern Europe and the discarding of

longtime political and social values. Pornography, along with crime, has been embraced along with the emerging liberties to engage in trade, publish freely same year that the government decided to permit hard-core sex films to be broad-

cast on public stations and the first locally made pornographic film was produced. While the old communist Yugoslavia did not censor love scenes in its state-run film industry, it condemned pornography as the exploitation of woman and

banned its production. Many say they do not find it coincidental that this happened as the first graphic pictures of mutilated and dead from the war, along with the racial diatribes against Muslims and Croats, hit the airwayes.

"The war was about the lifting of taboos, about new forms of entertainment to mask the collapse and repression." said Liuba Isakovic, a reporter who is writing a book on the new sexual mores. "War and sex became the stimulants used to keep people from examining what was happening.

A Belgrade woman, Gordana Lalic, 26, poses for pornographic magazines and sings occasionally in night clubs. Her attempt to build a career in the recording industry has meant cultivating contacts with Belgrade's most notorions things. Mrs. Lalic, like many young women drawn to the glitter of money and power, has often been a victim of its

"I have been raped many times," she said. "I tried to escape from one of these gangsters the other night by running from the disco. I fell and he pulled out his gun, put it to my head and told me I could go with him to his apartment or get cut up into little pieces.

"These are people whn do not care about murder. When some police saw us he pulled out his weapon and they or build opposition parties. The violent backed away. breakup of Yugoslavia began in 1991, the of interfering. backed away. The police know the price

VANILLA: Competition, Artificial Flavor and Greed Spoil Madagascar's Cash Crop

Continued from Page 1

"Vanilla got me nowhere," said Mr. Rasolomonina, who has seven children.

"I tried other things."

Nowadays, he said, he is more hopeful. But he is oot about to invest in any more plants, which take three years to bear fruit, before he sees results.

Experts say the vanilla industry is almost as Byzantine and secretive as the diamond industry. Vanilla — once it is cured and dried - can be stored for up to 10 years before it is put on the market. So, like diamonds, yearly sales figures are not necessarily a reflection of what is

really going on. But there is wide agreement among experts that in the last 20 years, Madagascar's vanilla has been losing ground. In the early 1970s, the island supplied 70 percent of the vanilla con- many exporters stockpiled what they

The Madagascan government had set money. Indonesia has probably made the most inroads, encouraging its farmers lo plant vines and teaching them to grow better beans. China, Thailand and Uganda have also jumped into the market, and without resorting to Madagascar's heavy taxation, which generally has taken about 80 percent of vanilla

The government's overhaul of its vanilla policies has not been completely successful. Last year, it set a fixed tax of more than \$9 a pound on vanilla. But with the vanilla fetching only slightly over \$10 a pound, about \$22 a kilogram.

sumed worldwide. By the early 1990s, its share was down to 40 percent, according to United Nations figures.

had. Others turned to smuggling. This year, the government will try a 25 percent tax.

millimeters (a quarter of an inch) longer makes a difference to the price and the taste, experts sav.

"This is a very complex and crazy the price so high for so long that other little business, with all kinds of family countries began to see a chance to make connections, and no one tells the same story," said a Western diplomat who has

> hig question." Antalaha, a town on the northeast coast, is home to many of the island's largest exporters. The town's side streets are filled with scurrying workers who bring out the beans on huge mesh trays to dry in the sun and then rush them inside again before the frequent afternoon

work - sorting beans by length. Even 6 vanilla.

Most of the vanilla is sold for distribution in the United States and Europe. But much of the world no longer bothers with the real thing. Even in the studied the industry. "But they've done themselves in in a big way here. Whether percent of the world's natural vanilla, it's beyond the point of no return is the artificial vanillin flavoring still takes up some 90 percent of the market, and in

France 50 perceot. Farmers have also faced a new scourge in recent years — an increase in thefis from the field, often before the beans are ripe. Madagascar is one of the world's poorest countries, where most people earn no more than \$300 a year. But some farmers, trying to thwart the Inside the dim warehouses, women sit thieves, are picking their beans early, in rows — their hands yellow from their reducing the quality of the island's

Mideast 'Reciprocity'

Charles Krauthammer (IHT Opin-ion, July 19) has forcefully posed the pivotal question of whether the Palestinians can be trusted to keep their pledges to Israel. He cited Palestinian commitments to Israeli security that were inscribed in an American-written 'note for the record'' added to the text of last January's agreement on Israeli withdrawal from most of Hebron. He observed that "every one" of those commitments "has since been violated." With Israel and the Palestine Authority's talks on the verge of collapse and the two leaders about to descend on Washington, the question of Palestinian credibility cannot be ignored.

It is right to underline the critical necessity of compliance with existing agreements as a foundation for construction of new ones. The various post-Hebron commitments that the note registered were to be implemented "on the basis of reciprocity."

The Palestinian commitments, which go mostly to Israeli security, were implemented inadequately at best and sometimes, much worse, egre-giously defied. The dominant Israeli commitment for further withdrawals from the West Bank, was not implemented at all. There was an argument over the terms of the first planned "redeployment," and it was never re-solved. Since then, both sides have invoked the failure of reciprocity as the cause of the stalemate.

There is, of course, a whole parallel set of political considerations that are not recorded in diplomatic documents but which affect policy. The Palestinian suicide bombs have justifiably made Israelis warier of accommodation. Israel's continuing planting of new Israeli settlements and settlers in the West Bank, particularly in Jerusalem. lias intensified Palestinian distrust.

These are not moral equivalents, as Secretary of State Madeleine Albright has noted. New settlements, however resented or unjust, cannot justify murder. Nor can the Palestine Authority

pointing to Israel's failure to withdraw. There is no "reciprocity" between the killing of innocent civilians, on the one hand, and political or territorial disputes, on the other. But it is also true that Israel's continuing creation of settlements steepens the road to peace.

In preparation for his Washington

talks, Prime Minister Benjamin Netanyahu has been demanding, as a coodition of new negotiations, full Palestine Authority compliance with its ohligations under the 1997 note; these obligations include not only security measures but a "complete" revision of the anti-Zionist Palestinian National Charter, currently in political limbo. Mr. Netanyahn has so far avoided Israel's obligation under the note to make 'further redeployments" in the West Bank. The resulting one-sidedness ex-plains why he is widely suspected of intending to derail the peace talks.

Actually, the suspicion is unfair to Mr. Netanyahu. In turning over most of Hebron to Palestinians a year ago, he bravely broke with his Likud party's annexationist ideology. The more likely explanation for his bargaining posture is that changes in the Israeli political landscape have narrowed his ground. The precedent of the Hebron agreement suggests that in a different landscape he might be ready to proceed.

One change would be the public American embrace of the Palestinian goal of statehood, to go with the longstanding American embrace of Israeli goals of peace and security. The Palestinian leadership should not need any additional incentive to get more serious about Israeli security demands, but re-inforcement for its political goals could help prod the Palestine Authority toward fulfilling its obligations, such as reducing the size of its police force. A clear U.S. statement would put America on the road that Mr. Netanyahu himself started down when he agreed to the Hebron withdrawal last year. -THE WASHINGTON POST.

Wrong Way in Turkey

Turkey's military and political leaders seem under the illusion that the best defense against Islamic fundamentalism is to ban Islamic political parties. The Turkisb Constitutional Court did so again oo Friday, outlawing the Islamic party that briefly governed Turkey before the military arranged its removal last year. Like previous bans oo Islamic parties, this one will only stir greater support for Islamic causes amoog . Turkey's overwhelmingly Muslim population.

There is a cyclical quality to Turkish politics that gives these periodic crackdowns a deceptively benign appearance. One Islamic party is banned, and another quickly takes its place. This time the Welfare Party, which won the largest oumber of seats in the last parliamentary elections, was declared a threat to the survival of Turkey's secular state. Its top leaders; including former Prime Minister Necmettin Erbakan, were banned from political activity for five years. A new Islamic party, Virtue, will replace it, although it may initially lack the grassroots network and computerized operations that made Welfare the largest, most effective political organization in Turkey.

But the relatively conviolent tradition of modern Turkish politics masks growing resentments that Turkey's leaders are either misreading or ignoring, at their peril.

The Welfare Party included a radical element, eager to undermine the secular system, but the party drew most of its support from voters disgruntled with the ineffective, corrupt parties that have governed Turkey for de-cades. Welfare mayors in urban centers like Istanbul have done a far better job of delivering services to citizens than their secular predecessors.

Turkey, already estranged from Europe and seeking closer ties with America, has not helped itself with this decisioo. It is yet another sign, along with the arbitrary arrest of dissidents and journalists and a scorched-earth campaign against Kurdish separatists, that Turkey is wounding its democracy in a careless effort to preserve it.

-THE NEW YORK TIMES.

Nostalgia in Orbit

Well, wby not send John Glenn back into space? If NASA could provide shuttle rides for two politicians who controlled its budget in the mid-1980s, why should it not launch a renowned if ancient astronaut who wants a last big burrah in space at the age of 77, after he steps down from Congress?
At least Mr. Glenn has the expe-

rience and competence to perform the job. He has been flying his own plane and exercising like a maniac to keep in shape for his rendezvous with the cosmos. This is one old warrior who refuses to fade away.

The stated justification is mostly nonsense, a rationalization dreamed np by Mr. Glenn during two years of lobbying for the trip and only accepted after heavily publicized pondering by NASA. There is hardly a burning need to study the effect of weightlessness on an elderly man's physical processes or to correlate muscle deterioration in space with muscle deterioration in the ground-based elderly. If there were, NASA would long ago have rocketed geriatric astronauts into the heavens and would not so readily have jettisoned its old-timers.

Some critics suspect that this new ride is a payoff to Mr. Glenn for his yeoman work in parrying attacks on President, Bill Clinton before the Thompson committee. But the simpler explanation is that NASA administrators see immense PR value in the return of John Glenn. Judging from the outpouring of attention given to Friday's announcement,

they surely have it right. Mr. Glenn will be out to prove that he still has the same "right stuff" that thrilled the nation back in 1962 when he became the first American to orbit Earth and won a ticker-tape parade as a national hero. In that respect he is re-miniscent of former President George Bush, who relived his World War II bailout from a crippled plane by para-

chuting again last year at the age of 72. Mr. Glenn has always felt frustrated that, after hlazing a trail into space, he never got back into orbit. This time around, despite all the hoopla about the peer-reviewed research he will be conducting as a prominent human guinea pig, he will not be blazing heroic new orbital paths. But be is emerging as a hero to the geriatric set.

-THE NEW YORK TIMES.

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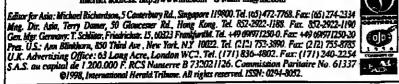
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Another Round of Netanyahu's Waiting Game?

TERUSALEM — Dennis Ross, the lonely rider of peace, was back in town discovering that the windmills, driven by Benjamin Netanyahu's hlasts of hot and cold air, are turning faster than ever. What is the purpose of Bibi's exercises? He plays for time to stay in power. Its retention is the goal that drives him. Its trimmings are for him oo less attractive than its exercise.

Procrastination and prevarication outwaiting, outwearing and outwitting the opponent are the tricks of his trade. The ship of state captained by Mr. Netanyahn is armed with more loose cannon than navigational aids. His crew, called a coalition, is in a mood of mutiny, and his cabinet in an advanced

state of decomposition. But, as Barbara Tuchman wrote in ber "March of Folly" about King Philip II of Spain, "No experience of the failure of his policy could shake his belief in its excellence.

The leitmotiv of his policy is, apart from gaining time, retaining Israel's control over the entirety of the land between the sea and the river, unimpaired by any other sovereignty. The idea of sharing the land with a Palestinian state is anathema to him.

Partidon, the foundation stone of the peace edifice of Oslo, is accepted by a vast majority in Israel, as well as hy a multitude of rationally thinking people everywhere in the world, as the only means of deliverance from the bane

of permanent war.
Mr. Netanyahu, never having concealed his loathing of the Oslo accord, determined to get rid of it by book or by crook, is trying to saddle Yasser Arafat with the responsibility for its demise. Three touls serve Mr. Netanyahu to dig the grave of Oslo: acts of Arab

terror, allegations by Israel of viola-

ONDON - In the United

Kingdom today, almost one

in five working-age households has no one in work. Long-term

unemployment remains a sig-

nificant problem. Millions are

caught in a cycle of low pay and

no pay. Too many young people

face difficulties in making the transition from education to work, and instead face a life-

time of dependency, demoral-

While the number of lone

The link between these labor

market failures, poverty, social

NEW YORK — Like the fall of the Berlin Wall in 1989,

the financial collapse of East and

Southeast Asia is being viewed

by many as a vindication of

Western-style liberal democra-

This conclusion has been

cy and free market economics.

used by the International Mon-

etary Fund to justify accelerated

and wholesale imposition of nu-

merous economic reforms on

scriptions may have the inten-

ded salutary effect, some may

produce nasty and lasting side effects on East-West relations.

One change being aggress-ively implemented is the open-

ing of many of Asia's bere-tofore protected markets and

industries to foreign participa-

tion. In theory this move makes

foreign rivals puts pressure on firms to upgrade efficiency and

the quality of their products or

services. Relaxing controls on

foreign ownership will facili-

tate the liquidation of defunct or

to admit foreigners is made un-

der duress. The hlunt IMF mes-

sage to Thailand, Indonesia and

Korea was to change or suffer.

And some Asians are beginning

to perceive Western participa-

tioo as nothing more than

For example, selling the real

estate assets of Thailand's de-

funct finance companies to for-

eigners will expedite the badly

needed liquidation process. But

being forced to sell at fire-sale

prices breeds resentment

against rescuers who may seem

Adding to this perception are

the seemingly onerous terms

being demanded by Western

lenders as part of the interna-

tional effort to restructure South

Korea's external debt. In return

for extending the maturity of

their loans, foreign banks wish

to charge high fixed interest

rates that are in line with South

Korea's newly assigned junk

bond status. South Korea will

be sentenced to decades of slow

growth as practically all of its

more like carpetbaggers.

Unfortunately, the decisioo

Increased competition from

good economic sense.

bankrupt enterprises.

blatant exploitation.

While some of these pre-

the "tiger" economies.

exclusion and crime is clear.

ization and alienation.

By Gideon Rafael

tions by the Palestinian Anthority of the principle of the mutuality of obligations, and the initiation of quickstep diplomacy designed to conclude agreement on the final disposition of the occupied territories within six to nine months — while meanwhile deferring implementation of the interim stages of troop withdrawal, as agreed at Oslo and reconfirmed in the Hebron

The purpose of such diplomacy is to derail the Oslo peace train by offering the Palestinians territorial and political terms unacceptable to them.

Instead of carrying out Israel's long overdue undertakings to permit the opening of the Palestinian airport in Gaza, to allow the planning of a sea harbor, to institute arrangements for

There is no return to square one after the lost battle for peace.

free passage of the inhabitants of Gaza and the West Bank, and to delineate the map of the first and second stages of withdrawal from the West Bank - the prime minister entangles his cabinet in futile discussions oo Israel's non-negotiable territorial and security demands in the West Bank.

Maps are produced by two competing generals, members of the cabinet, offering the Palestinian Authority a patchwork of autonomous but not sovcreign territory on less than half of the West Bank. Remembering General Ariel Sharon's maps, drawn in preparation

to repeat, in slightly amended form, Virgil's warning some 2,000 years ago: Beware of generals carrying maps.

A bewildered public watches, sus-

pecting that the maps are a deck of marked cards played by a cardsharp to break the bank of Oslo.

The impact of collapse of the Oslo peace process will be comparable to that of an air crash. It will claim many victims, its wreckage will spread over a wide area, and its spilled fuel may trigger a vast conflagration. If Mr. Net-anyahn believes that he can extinguish it with his customary flood of words, he is committing another error of judg-

ment, probably his most fatal one. Ambassador Ross returned to Washington from his last rescue mission with a nil report. He failed not because of his lack of diplomatic agility and tenacity, which are admirable, but because of a complete breakdown of trust between the parties to the conflict.

This crisis of confidence cannot be resolved by procedural devices, but only by the readiness of both sides to make concessions on substance. And this they are oot willing to do or capable of doing without tangible and intense American involvement.

Mr. Netanyahu arrives at the White House with a low credit rating, an unimpressive record of achievement and a thick folder of unredeemed promissory notes, trying to sell to President Bill Clinton another one. He will plead for presidential forbearance and benevolence, claiming that owing to his parliamentary fragility he cannot proceed on the peace road as fast as the president would like him to.

Mr. Clinton, probably aware that Mr. Netanyahu's policies can result in unmitigated disaster, may be inclined to the International Herald Tribunc.

for the war in Lebanon, one is inclined dismiss his entreaties with a reference to Senator Arthur Vandenberg's famous reply to President Harry Truman; If you didn't feel it necessary to consult me before the takeoff, don't invite me to be present at the crash landing.

If Mr. Netanyahu believes that after the demise of the Oslo accord he can return to square one with more time at hand to hold on to power and to the status qoo of continued occupation of the West Bank, he is deluding himself. There is oo return to square one after the lost battle for peace, but only to earth soon scorched by turbulence of hitherto unknown dimensions and vehemence in the Middle East.

The end of Oslo in those circumtances will cause painful injury to Israel's relations with the United States, jeopardizing its security, its economy, its standing in the world and the well-being of its people.

The United States cannot afford to

let the Arab-Israel peace process succumh. Not only the validity of its own promissory note as underwriter of the Oslo accord is at stake, but worklwide vital American interests.

At present, while Iraq continues to destabilize the Middle East, Iran intimates its interest in normalization of relations with the United States, Bosnia is still far from being pacified, the lure of the immense oil reserves in Central Asia is becoming increasingly attractive, Southeast Asia is seized with financial turmoil, the United States can hardly afford the eruption of a new violent crisis in the Middle East.

The writer, a former ambassudor of Israel to the United Nations and a former director general of its Foreign Ministry, contributed this comment to

Now a 'New Deal' to Combat Unemployment in Britain

By Gordon Brown

The writer is British chancellor of the Exchequer.

Think Twice About Forcing Change in Asia

By Teresa Wyszomierski

income goes to paying its buge gion's export-led growth strate-

breaking white paper of 1944 society as a whole and in the — to high and stable levels of global economy. employment.

In the first decades of the postwar era, governments re-lied heavily on the tools of macroeconomic management, Successive governments were able to deliver low unemployment and a large oumber of long-term jobs. The focus was almost exclusively on men.

parents has been growing, the proportion with jobs has actually been falling. The United The welfare state was con-Kingdom has one of the lowest structed on the basis of a society employment rates for single in which spells of unemployparents in the developed world. ment were expected to be short, And too many older workers fewer people faced the need to are dropping out of the labor balance work and family life, market, dramatically increasing and even unskilled workers had the oumbers on long-term sick-ness and disability benefits. access to good employment opportunities.

But the old policy agenda has become obsolete and, in many ment - first made in a ground- curred in the labor market, in

interest bills rather than into na-

reforms being imposed oo Asia

is the notion that government

should no longer intervene to

keep alive insolvent or funda-

mentally weak businesses. In-

stead, these enterprises should

be allowed to fail, so that their

assets can be redeployed into

Any resulting unemploy-ment should theoretically be

temporary, as workers move to

new or surviving firms. Unfor-

tunately, this vaunted process

of "creative destruction" ap-

pears to be destroying more

than it is creating.

About 500 South Korean

businesses recently went bank-

Bankruptcies will continue to

surge during the first quarter as

Asian banks curb lending to

meet Bank for International

Settlements capital adequacy standards by March 31.

The Federation of All In-donesia Workers' Unions con-

servatively estimates that un-

employment there could donble

to 9 percent of the work force, or 8.2 million workers, this

year. Worse, analysts believe that the oumber of "hidden

jobless," such as illegal aliens

from countries such as

Bangladesh and Pakistan work-

ing in construction jobs, could

reach 40 million. Similar sta-

Compounding the sheer magnitude of the looming un-

employment problem in Asia is

its potential longevity. Job cre-

ation will be stalled owing to

the inability or unwillingness of

local and foreign banks to fi-

nance capital investment in new

available, weak domestic de-

mand does not justify expansion

of productive capacity. For this

reason, General Motors Corp.

and Ford Motor Co. recently

decided to cut production plans

Continued success of the re-

for new Thailand factories.

Even if such financing was

or surviving firms.

Asian tigers.

tistics characterize the other ket reforms, seemingly im-

runt in just one week.

more productive ventures.

One of the most profound

tional reinvestment.

We need a New Deal.

Our program — the New Deal for the young unemployed —has started in 12 areas around the country. It will go nationwide in April.

Every young person out of a joh for more than six mouths will be offered four options: a job supported by a 60-pound-aweek subsidy, work on our new environmental task force (tree planting or clearing out neg-lected canals), paid work with those who need it, full-time

Throughout the process, and and skill shortages. To busibeyond, young people will be adviser. Many will need the cases, conoterproductive. We support of a mentor as they The British government has oeed a new approach that remake the often difficult tranrecently reaffirmed the commit-flects changes that have oc-sition from welfare to work. These new opportunities need we will introduce a 75-pound-a-

gy depends on rohust foreign

demand, compled with the ca-

pability to upgrade the quality of export products. Neither con-

Protectionist Western gov-

ernments threaten retaliatory

action against cheap Asian

products. And product up-

grades will be difficult because

Asia does not have enough

skilled workers, and now does

what will be a protracted period

of high unemployment is the

fact that most Asian countries

do not provide unemployment

benefits and other social safety

nets typically enjoyed by West-

Many Western commenta-tors have hailed the insurgent

wave of labor discontent as the

harbinger of a political catharsis

for much of Asia, with old au-

thoritarianism supplanted hy

some ntopian version of West-

But blithely assuming that

popular discontent will be dir-

ected solely at Asia's leadership

overlooks a fierce sense of na-

tional pride that can be manip-

No one denies that Asia

needs a healthy dose of market

discipline to ensure a sustain-

able long-term recovery. But a

posed in a heavy-handed and

exploitative way, will only

Trying to enact reforms,

however legitimate, within the

stringent IMF deadlines only

invites chaos, failure and re-

sentment Priorities should be

set more clearly, so that really

critical issues are addressed

oomic remedies being pre-

scribed were developed primar-

ily for the past financial

maladies of predominantly

Western institutions, they chau-

deepen the East-West rift.

heavy governmental control.

ern-style democracy.

ern workers.

education and training. ives, such as a step down in the Exacerbating the hardship of rate of interest charged if cer-

achieved.

clusive manner.

The Washington Post.

not have the money to invest in

dition is assured.

to be balanced with new responsibilities. One thing will be clear, Long periods on welfare will no longer be a choice for young people. There will be no option to turn down opportunities and

simply stay on benefit.

The success of the program depends on a national effort from government, from young people themselves and from employers. The response from employers has been very eacouraging. For example, the su-

permarket giant Tesco has set a target of 1,500 New Deal jobs and has offered support with training to smaller retailers. Many employers recognize that we are at a key stage in the the voluntary sector, and, for economic cycle where, in the past, falling unemployment has been stalled by wage inflatioo

ness, and to the economy, the supported by an employment New Deal makes good sense.

adviser. Many will need the The New Deal for young people is the flagship of our new approach to employment, but we will oot stop there. In June

date unique aspects of Asian

business culture. For example,

the wholesale indictment of

family or social connections as

destructive overstatement.

"crony capitalism" can be a

practical step for soothing East-

West tensions and aiding the

recovery is for foreign banks

to recognize that they need to

act less like creditors and more

like partners toward their Asian

debtors. Debt should be restruc-

tured so as to provide the debtor

with real performance incent-

ives, such as a step down in the

tain financial targets are

without violent social upheaval

can be achieved if reform is

carried out in a gradual and in-

The writer is a New York-

based specialist in internation-

A sustainable Asian recovery

Perhaps the most immediate.

We will be introducing inoovative approaches to helping i disabled people find work. We are instituting a coordinated upproach to the problem of social exclusion. We are committed to an expansion of education.

ment from government.

week subsidy for over-25s uo-...

employed more than two years;

and we are looking at ways of

extending the intensive ap-

proach pioneered for the under-25s further up the age range. '";
Our New Deal for lone parti

ents is the first serious national

who want work to find it. It will-

be supported by a national

child-care strategy, with new.:

resources and a tresh commit-.

. 1986

And, through our comprehensive review of public spending, we are looking at the wbole; range of public services to ensuce that those who cannot work are offered a better deal from-

the state. People are understandably reluctant to take work that leaves them no better off. The tax and benefit system tou often fails to provide the incentives: people need to get work and move up the employment ladeder. That is why I instituted a. coordinated strategy of tax and,

benefit reform With a task force led by Martin Taylor of Barclays Bank, L will be looking at four areas: a new Working Family Tax Credit for low-paid families, reform of national insurance contributions, a new 10 percent income tax rate (half the lowest current rate), and action on the features of the benefit system that cause the poverty

and unemployment traps. Together this amounts to a comprehensive reform program focused on new work opportunities for those previously denied them.

We need to win the case for reform, and show that the status? quo is oot an option. The burden of social security expenditure is: a symptom of the lack of eme ployment opportunity, as wellias a problem in its owo right.

Only by tackling the fundamental causes of worklessness.

and poverty can we hope to create a nation in which the al investment. This comment is fruits of economic prosperity. adapted from a longer article in are available to all.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO.

1898: Paris Violence

PARIS - As though inspired ulated by media still under hy the violent scenes caused by the anarchists, a well-known "companion," Claude Francois Étiévant, made a vicious attack upon two policemen. He was armed with a knife and a crash diet of textbook free marrevolver, and it was only after a desperate struggle that be was arrested. Etiévant has professed Anarchist opinions since his yooth. He wrote a pamphlet against the President of the Republic and became the gérant of the Libertaire, in which he published a number of violent articles which led to the prosecution of that journal.

cate the American public on foreign affairs. Mr. Root said that more wars were started by insult and misunderstanding. than by material injury, and he asked that the people of the United States should inform it. self on foreign affairs as the best means to avoid future wars. ...

1948: Fast Is Broken . NEW DAILY - Mohandas K.

Gandhi broke his fast when the leaders of India assured him that his policy of redemption - 4. seven point program of peace — would be carried out. The spire itual leader of the Hindus ended his ordeal of self-privation by sipping a glass of sweetened lemon juice 121 hours after the completion of his last meal) Small groups of students paraded through the streets. They shouted: The breakers of peace have been vanquished. The gospel of peace has won. The fast is broken."

plea of Mr. Elihu Root to edu-

first, like central hank independence in the case of Indonesia. 1923: Foreign Affairs In addition, because the eco-

NEW YORK - The American Civic Federation Convention has decided to organise a committee of one bundred on foreign relations, following the vinistically fail to accommouplosment in Britair

OPINION/LETTERS

صكدا من الأصل

Clinton's Team Needs to Learn to Sell Its Foreign Policy on Domestic Turf

WASHINGTON — The brave face that the Clinton The team puts on its foreign policy conceals, but not very well, the strenuous difficulties that administration policy is encountering on Capitol Hill. This is the cautionary message behind Secretary of State Madeleine Albright's otherwise upbeat review on Jan. 13 of her stewardship.
Of the administration's han-

dling of its negotiations and disgutes with foreigners, she had. unsurprisingly, little but good to say in an address to the Center for National Policy Initiatives in-volving Bosnia, NATO, China, the Korean Peninsnla and weapons proliferation led her to donclude that "we begin 1998 in a position of strength."

"Our economy is bomming. our alliances are firm, our military is the best and the democratic valles we cherish are embraced by a greater portion of the world than

ever before, "she said.
The conspicuous exception to her optimism is the Israeli-Palestinian stalemate, which events are now bringing toward a reluctant administration's front burner. Negotiations and disputes with Congress, however, are another

story. The three top challenges Mrs. Albright identifies for 1998 are less diplomatic than legislative: extending the mission of U.S. troops in Bosnia, enlarging NATO, funding and reforming the United Nations and funding the International Monetary Fund. All three invite struggles with a legislature controlled by a stubborn Republican opposition. A fourth, lowerprofile challenge on the list — support for African development

- could get lost in the sbuffle.

The UN-IMF item is the potential crusher. Mrs. Albright spent a year cultivating the chairman of the Senate Foreign Relations Com-mittee, Jesse Helms, on this issue and paid his price of a reorgan-ization of the American foreign policy apparatus. Not only did Mr. Helms prove unreliable when it came time to deliver on UN funding, he has now "thrown up his hands" — quit the field — an aide says. Meanwhile, the Asian economic upheaval has added an es-calating battle over the IMF's funding and crisis role to the unrelated abortion dispute that was already holding up the UN package. lt's not just a political mess,

By Stephen S. Rosenfeld

mess as well. Mrs. Albright is un-assailable but so far ineffective in asserting that it "burts America" to be in arrears to institutions on which the United States is relying
the UN to compel Iraq to submit to arms inspections and the IMF to bail out the flailing economies of East Asia. "It makes it harder for them to carry out programs that serve our interests," she said.

Yet, though the centrality of this issue is everywhere acknowledged, Congress is on recess until

comes from a view that Mr. Clinton represents the U.S. interest poorly and ought to be checked.

Part of the stiffness

Jan. 27, and it is reported that no plan of action has been ironed out to deal with the problem.

Part of the prevailing congressional stiffness comes from a view that President Bill Clinton bargains badly, represents the American interest poorly and needs to be checked. This indictment is recognizable but overdrawn.

Mostly Mr. Clinton is faulted for failings of tone, detail and personal style. Still, the public seems prepared to credit him with earnest leadership in tricky times. It is especially silly to knock Mr. Clinton for a supposed ex-cessive fondness for international institutions at a moment when those institutions are America's own chosen rescue vehicles.

In any event, nothing he has done so far in foreign policy is likely to be as important in contributing to any overall judgment of him as the way he handles the crisis re-emerging now over Saddam Hussein's defiance of the arms inspectors. The Cold War may be gone, but the wielding of force for good diplomatic purpose remains the litmus test of a president's conduct of national security affairs. Mr. Clinton can ill afford being seen as the Iraqi president's patsy.

Another part of the congressional attitude is sheer power grab and politics. Unfortunately, Mr. moreover. It's a foreign policy Clinton, Mrs. Albright and com-

pany are not well placed to com-plain. An afficionado of the Hill, Mrs. Albright loses no opportunity to remind Republicans of the Cold War glory days of foreign affairs bipartisanship under a Democratic president, Harry Truman. But a more recent generation of Republicans appears to remember better the Democrats' indifference to appeals for bipartisanship during the polarizing days of Vietnam. A final factor behind congres-sional stiffness lies in what Mrs.

Albright identified as a lingering American tendency to look inward, to complacency. There is such a tendency, much as Mrs. Albright protests it. It is what people around the world are al-ways wondering about. There is no single or conclusive

answer to it. Rather, there is a twin requirement for a president who is internationally minded but who lacks the pubbe's full confidence: not to outrun public hesitation but not to underestimate public readiness to stay engaged, either. This is the balance the Clinton administration must now strike and then convey to a Congress not yet sold on his leadership.

The Washington Post.



LETTERS TO THE EDITOR

A Partition of Kosovo

Regarding "Don't Encourage Separatist Aims of Kosovo Al-banians" (Opinion, Jan. 12) by onathan Clarke:

The article is distressing because it shows that Western experts and policymakers have not yet learned the lessons of the breakup of Yugoslavia and the ensuing civil wars in Croatia and Bosnia.

Having in effect lost the war in Bosnia and Croatia, Serbian politicians cannot be seen as giving in to yet another separatist demand. At the same time, Kosovo's Albanian leadership is losing control and young Albanians there increasingly see violence as the only option left to them.

One rarely discussed option for a peaceful solution is a partition of Kosovo — the solution that has brought peace to Bosnia.

With careful international mediation and generous compensation packages, partition of Kosovo could be acceptable to both parties, and could hold OSKAR LINDSTROM.

On Wooing Smokers

Regarding "Wanted, Young Smokers" (Editorial, Jan. 17): The editorial says that during the 1970s and 1980s, R. J. Reyn-

olds Tobacco Co. tried "to woo smokers as young as 14." In the early 1980s, I worked as a consultant for R. J. Reynolds in Cologne in the development of a new cigarette brand that was intended for markets in both Germany and the United States. The target for this brand was clearly defined as "blue-collar workers from 18 to 24." This was to have been an important brand, but it was based on a product innovation that turned out not to work.

Although I found much to criticize about the company's behavior, a nod and a wink were the only acknowledgment of the likelihood of still younger smokers

being attracted to the brand. 1 was aware of absolutely no deliberate planning to that end. My only excuse for contrib-

uting to that abortive exercise was that R.J. Reynolds had a gimmick; money.

RORY O'KEEFFE.

Debtor-Dominated UN

What good is a United Nations Security Council when it is "veto dominated" by its biggest debtor nation, the United States.

which uses it to dictate international bullying tacnes? No organization should give authority and privileges to a

member that falls in arrears. The cash-poor United Nations should establish a rule that any nation belonging to the Security Council would lose participation rights and be given only observer status until it paid all of its delinquent dues.

BECKY GORDON. Lausanne, Switzerland.

A Marriage Where Hers Is the Name of the Game

By Paula Span

WASHINGTON—I'd like to propose a toast— hoist those champagne flutes, please— change their names. to Brande and David Stellings.

Not just because they are hotshot young lawyers who, trailing Ivy League degrees and academic honors, are working at two of New York's most prestigious firms.

Not just because they were married recently at the TriBeCa

MEANWHILE

Grill in Manhattan, where 105 guests ate fabulous pasta with goat cheese and wild

No, this toast commemorates a single sentence that appeared in their wedding announcement on the society page of The New York Times the following day: Mr. Soskin will take Ms.

Stellings's surname."
David Soskin is now David Stellings, relinquishing his ... well, there is no term, no male equivalent of a woman's "maiden name." The point is, instead of Ms. Stellings changing her name to Soskin, or both parties keeping their last names, Mr. Soskin changed his 10 bers. He says he likes Stellings better anyway.

This is a bold act for a man and apt to prompt shock and snickers, as Mr. Stellings is learning. "They said. 'What are you, crazy?' People invariably thought I was joking," he said.

They warned "that it would be really annoying, having to change my credit cards, change my husiness cards," hc said. "How would people who knew mc before find me?" Of course. these are the very annoyances new brides are supposed to be delighted to encounter.

Less-approving colleagues deemed him thoroughly whipped. "They view it as an assault on patriarcby," Mr. Stellings said.

Almost 30 years after contemporary feminism bulldozed the social landscape, the proportion of women wbo do not adopt their husbands' names is about 10 percent, according to a study done for American Demographics magazine. (That includes those who hyphenate or adopt combinations like Hillary Rodham Clinton.) The young and the college-educated are more likely to keep their names, but even

This supposedly tradition — he "gives" her his name - reflects the British and American common law of 'coverture,'' under which a woman lost any legal identity

the moment she married. "She could no longer own property, enter contracts, sue or be sued," explained Deborah Ellis, who teaches the course Women and the Law" at New York University law school. "She had no right to custody of her children. And taking bis name exemplified that."

American legislatures began dismantling coverture 150 years ago, but we are still stuck with this name business.

Of course, there are pragmatic career considerations for sticking with your name.

Understand that I am nnt unsympathetic to the rationale people usually offer for a name change: two individuals, one name, symbol of commitment and unity, etc. It's the unidirectional nature of the change that bugs me. If a shared surname is about oneness, why don't half the guys who get married change their names?

I also acknowledge that we have not come up with an entirely satisfactory answer to the question: What are you going to name the children? Hyphenating is a short-term solution, unwieldy for one generation and impossible after two. My family's approach is scrupulously egalitarian; We agreed to give a son his surname and a daughter mine, with the other parent's name as a middle name. Thus, our daughter and only child is Emma Katz Span.

But I have to say this idea never caught on with other couples, perhaps because of having siblings with different names. Most separate-surname couples throw in the towel and give the kids the husband's name.

Hence this toast to the pioneering Ms. and Mr. Stellings. One could grow morose about how rarely that happens

- rethinking outdated traditions but this is supposed to be a happy occusion. More champagne?

BOOKS Company to the contract of the

CHESS

By Toni Morrison. 318 pages. \$25. Alfred Ar. Knopf.

Reviewed by

Michiko Kakutani TONI MORRISON'S latest novel — and her first since winning the Nobel Prize for Literature in 1993 - addresses the same great themes of her 1987 masterpiece, "Beloved": the loss of innocence, the paralyzing power of ancient memories and the difficulty of accepting

loss and change and pain. It, too, deals with the blighted legacy of slavery. It, too, examines the emo-

By Robert Byrne

PORIS Gulko of New Jersey beat Matthew Sadler of Britain in the

diagramed game.
In the Four Knights' Variation of the

English Opening, it is unclear whether White can take advantage of 4...Bc5 by 5 Ne5. In a Topalov-Karpov game in Monaco last year, 5...Bf2 6 Kf2 Ne5 7 b3 d5 8 d4 Ne6 9 h3 O-O 10 Bg2 dc 11 d5 Ne5 12 Qd4 Nfd7 13 Bf4 Qf6 14 Rhd1 Nd3 15 Rd3 cd 16 Qf6 Nf6 17 e4 c6 18 d6 led to a hard fought draw.

· Sadler's 8... Nd4, bas the advantage of

Ne4 17 de Nd4 18 Nd4 ed because 19

develops while threatening 20...Bb5.
Gulko's 15 c5!? initiated the sacrifice

of several pawns to smash the black cen-

Nd4 Bg4 20 Qd2 Qc7 21 de yields White

After 15...dc 16 Ne4!?, Sadler was invited to lose a pawn by 16...Ne4 17 de

an overwhelming pawn-ahead position.

d6 led to a hard-fought draw.

writing, thoroughly lacking in the nov-elistic magic Morrison has wielded so effortlessly in the past. It's a contrived, formulaic book that mechanically pits men against women, old against young, the past against the present.

The basic dynamic of "Paradise" will vaguely remind Morrison fans of her powerful 1974 novel "Sula," which also looked at conformity and rebellion within an insular community. In the case uonal and physical violence that human of "Paradise," the story, briefly, goes beings are capable of inflicting upon one like this: A small all-black Oklahoma another. And it, too, suggests that re- town that has been reeling from the

demption is to be found not in obsess-ively remembering the past but in letting fusions of the 1960s and '70s finds a scapegoat in an all-female housebold Unfortunately, "Paradise" is occupying a former convent on the edge everything that "Beloved" was not: It's a heavy-handed, schematic piece of and witcheraft and complaints against and witcheraft and complaints against 'this new and obscene breed of female' that dares to be self-sufficient.

One morning, we're told in the open-ing pages of "Paradise," the men of Ruby decide to take matters into their own hands, and they descend upon the convent with guns, handcuffs and Mace. 'God at their side, the men take aim,'

Morrison writes, "for Rnby."

The remainder of "Paradise" is devoted to explaining who these men are, and what brought their intended victims to the convent in the first place. We learn that the townsmen have never been able to move past their village's history: its traumatic founding by former slaves, who were ostracized by both whites and lighter-skinned blacks, and the determination of its current elders to keep the community isolated and pure, wary of strangers, detached from politics and skeptical of the idealism and anger of the

As for the convent women, they are a motley assortment of misfits and fugitives: Connie, a former ward of the nuns, who ran the convent when it was a boarding school for Indian girls; Mavis, a paranoid woman who has fled her domineering busband in the East; Gigi, a seductive young woman whose boyfriend is in jail; Seneca, a hitchhiker who has survived abandonment and sexual exploi-tation; Pallas, a wealthy lawyer's daugh-

Nearly every one of these characters is a two-dimensional cliché, thin and papery and disposable. Unlike the herome of 'Beloved,' who was strong, des-perate, loving, vulnerable and angry all at once, almost all the women in this at once, almost all the women in this novel are victims. They have spent years grappling with economic hardship, ro-mantic disappointment, social inequity and the stupid misdeeds of men.

The men, on the other hand, are almost uniformly control freaks or hotheads, eager to dismiss independent women as sluts or witches, and determined to make everyone submit to their will. The real battles in Ruby, a character observes, were "about disobedience, which meant, of course, the stallions were fight-ing about who controlled the mares and their foals."

WHEREAS earlier Morrison novels like "Beloved," "Song of So-lomon" and "Sula" fused the historical and the mythic, the mundane and the fantastic into a seamless piece of music, this novel remains an earthbound hodgepodge, devoid of both urgency and narrative sleight of hand. It's neither grounded in closely observed vigneties of real life, nor lofted by the dreamlike images the author has used so dexterously in the past to suggest the strangeness of American history; the novel's one surreal setpiece feels like a hasty afterthought, clumsily grafted on to try to kiek the story to another level.

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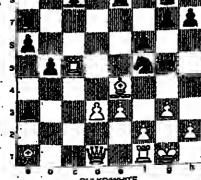
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Position after 22 . . . f8

Guiko 16 Ne4 Sadler cb ba Ne4 Qg5 Rb7 Ra7 f6 Be6 Bf5 Qg6 Qf7 a2 Rb7 16 Ne4 17 Ne5 18 Bal 19 Be4 20 Nc6 21 Na7 22 Rc5 23 Qc2 24 Bf5 27 Qc3 28 Rd5 29 Qa3 30 Qa2 31 Qa6

ENGLISH OPENING

unblocking the c7 pawn, yet after 9 Nel 15 c5 dc 30 Qa2 Rb5 c6 10 e3 Nf5 11 Nf3, the f5 knight puts another obstacle in the way of Black's playing for a kingside attack with a limit of the continued cating up the enemy queenside with eating up the enemy queenside with 16...cb while Gulko chewed up the center with 17 Ne5! timely ... 15.
After 13 Bb2, Sadler might have played 13... d5 14 cd cd 15 e4 de 16 Ne4

After 17...ba, it would not have been Qd3 can be answered by 19...Bd7, which profitable for Gulko to play 18 Nc6?! ab! 19 Nd8 bc/Q. But that was not his theme; following 18 Ba1 Ne4 19 Be4, Sadler could not defend by 19... Ne7 because 20 Bh71 Kh7 21 Qh5 Kg8 22 Qf7 Kh7 23 ter. Sadler could not refuse because Bh71 Kh7 21 Qh5 15...d5.16e4 Nd4 17 Nd4 ed 18 Ne2 de 19 Nc6 wins outright.

He should have tried 19...c5!?, relying on the only weapon he had, his powerful queenside pawn mass, to see him through. Gulko would have obtained a very strong mating attack with 20 Qg4!?, but the outcome is still unclear. but the outcome is still unclear.

Maybe Sadler thought that 19... Qg5? 20 Nc6 Rb7 21 Na7 Ra7 might stabilize the situation with some drawing chances, but he did not foresee the power of the pin with 22 Rc5! What was he to of the pin with 22 Rc5! What was he to do about the threat of 23 Bf5 Bf5 24 e4, winning a piece? On 22...Q6 23 g4 Qb6 24 Rc6 Qb7 25 gf Re4 26 de, he could not have recaptured with 26...Qc6 because of 27 Qd8 and mate next move.

So he tried the cunning 22...f6, hoping for 23 Bf5 Bf5 24 e4 Bg4; sneaking out. But Gulko would not let him off the hook; ofter the interpolation of 23 Oc21 Re6 24

after the interpolation of 23 Qc2! Be6 24 Bf5 Bf5 25 e4, Sadler was done for. He lingered on, but after 31 Qa6 he would have to remain a piece down, and

ter whose lover left her for her mother.



Thierry Mugler's precisionseamed black denim two-piece.



Emanuel Ungaro's delicate ribbon-and-lace dress.



Dominique Sirop's silver bustier on pin-striped suit.

Intimate Couture

International Herald Tribune ARIS - Karl Lagerfeld's withdrawal to the Rue Cambon fashion house for the Chanel show on Tuesday marks a defining moment for haute couture. The designer who put a show-hiz spin into high fashion 15 years ago, now says: "Couture should go private again - it should

Valentino also retreated, to his new Paris premises, and Thierry Mugler created a salon ambience within a tent. Even when shows are still staged, like Ungaro's, in the Grand Hotel ballroom, they have come close to floor level.

be for the happy few."

Why? Because intimate countre shows the exquisite details and intricate cuts. Here are close-up takes from the weekend shows.

28 For the taking

31 4:00, in Kent

32 300-pound





Ashley Judd, left, and Marie Chantal of Greece at Valentino's show.

By Suzy Menkes International Herald Tribuna

ARIS — Two tangoing bodies arched on the grand staircase of the opera bouse — where an hour later John Galliano took his bow, decked out like a Cuban dancer and in a confetti of paper butterflies.

The passionate, mesmerizing dance before the Dior show Monday, served as a neat metaphor for the brilliant British designer and the illustrious French couture house. They are locked into a delicious tree of the passion of the line of the locked into a delicious tree of the passion of the locked into a delicious tree lirious two-step, as they build up the decadent enchantment.

For Dior, there is the clout, the bucks nd the organization to swag garlands of faded roses across the baroque gilding of the Palais Garnier. And to hire atmosphere-creating extras, from a maharaja with a corsage of diamonds, through a ballet dancer doing Nijinsky in "L'Apres-midi d'un fanne." Galliano's role is to dream up this

extraordinary scenario, which took the audience to the Venice of the exotic Marquesa Casati - all Ballets Russes Oriental coats and trailing gowns -through an aristocratic English garden where the models were necklaces of

corcelain plaques around creamy suits. Think Titanic, bot knife in butter silhouettes and no surface embellish ment — but there has to be a sexual chemistry for the clothes to work," said Galliano of his costume drama.

A shiver of emotion went down the pine at the velvet Scheherazade coat the color of molten marmalade with gem appliqués. But much of the historical stuff seemed familiar. So is the overriding impression that Galliano is living in the wrong century.

The orgy of gorgeousness started with a jet-hlack crinoline sweeping up the stairwell and ended when a model collapsed ber buge skirt into a lake of verdigris silk.

What passed as day wear — really delicious cocktail clothes — was pretry, light and romantic, with fine workmanip that wove ribbons into a small jacket with flirty skirt, below a gauzy saucer hat, Frock coats waltzed toward evening. when Galliano's signature slim gowns just shadowed the body, with floral petit point or rosebuds for decoration.

Although dresses had trains and skirts were given a swoosh of a bustle, clients

will dose fantasy with reality.
"First you fall in love with the whole thing — and then figure out how to wear it," said Nada Kirdar, sitting at one of the

sweetmeat-strewn banqueting tables.
Diana Ross, in lace-up leather pautsuit, said: "It's so exciting — I want everything."

In his third collection for Dior, Galliano can still make people dream and now has a perfect symbiosis with the ers. But where are his intense show leading fashion on the eve of the millennium?

The partnership, like the tango itself, could turn out to be a seductive but fatal

ICHER by \$300 million after the sale this month of his company to HdP (an investment at group), Valentino decided to give the fashion world a gift: a superb collection, rich in decoration but light in spirit.

Judging by their entranced faces and ecstatic praise, it was Christmas in January for the front-row clients. They included a trio of princesses (Rosario of Bulgaria, Marie Chantal of Greece and Firyal of Jordan) and a Hollywood rising star, Ashley Indd, wearing a brief feather-trimmed Valentino dress.

'What confections! They look like they were spun out of angel hair and fairy wings," she said. That was a pretty accurate description

of the slender cocktail dresses with cascades of crystal beading, cobwebs of flower-embroidered lace or atwinkle with mother-of-pearl. Although the silhouette was mostly slim, the finale included a cream, leather bustier rising from waves of oyster taffeta.

The secret of the collection's success was that in Valentino's swanky new premises on Place Vendome, the in-

Galliano's velvet, Ballets Russes-inspired Oriental coat for Dior. timate show recovered couture's soul. Into focus came every detail from silver hair combs smoothing Claudia Schif-fer's goldilocks, through a conch-shell purse and dainty red-and-white mules. Perhaps because Valentino knew that

be didn't need to dress a blockbuster show, everything had a patina of discretion: the delicate jet embroideries and the way that a faded-flower pattern would be veiled in tulic - just as the gilded mirror and marbled mantelpiece

were screened with a scrim. "I took the idea from a book showing Russian summer clothes," said Valentino, referring to the tulle and point d'esprit and the featherlight sum-mer furs. Sometimes they were feathers, like the necklet dyed to the same pot-

pourri colors as the floral underdress. This was not revolutionary or socalled "modern" couture; it was genuine couture, that was both beautifully executed and wearable. The tuhular, slightly 1920s, cocktail dresses starred, but the day wear was also pretty, with suit jackets shaped with pintucks, edged in glass fringing or pleated satin.
At the after-show dinner — all ivycovered candelabra and fragrant jasmine bushes - Princess Firyal summed up the client mood.

"The workmanship was amazing." she said. "Valentino is the king of evening dresses. This is couture - and that is refreshing to see.

But are culottes couture? It is hard to remember why the divided skin was invented. For women golfers? For horseback riders?

Everything in Gerard Pipart's show for Nina Ricci spoke of a distant era when women wore billowing silk in Biarritz and tied scarves around their hats on a breezy day. He sent out divided

skirts as coin-dotted palazzo pajamas or as long, pleated culottes. The sporty elegance of a bygone era seems a quaint way to celebrate the 50th anniversary of the famous Ricci fra-

grance L'Air du Temps.

Mariano Puig Jr., heading Nina Ricci since the Spanish Puig family bought the couture house from Sanofi last month, said he expected to make changes by the end of the year. And the

couture? "It has a role," he said.

CROSSWORD

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10 Singer Burl 11 41-week best seller, 1970-71 12 Barely manage, with "out" 13 Gidget portrayer Sendra 21 Detace Thunnan

New York Times/Edited by Will Shortz.

60 Physicist Nikola

High Fashion and the Asia Effect

International Herald Tribune

ARIS - Is it a catastrophe, a crisis — or possibly an opportunity for a smart manager? Those are the questions absorbing the high-fashion moguls as they examine collapsing currencies and shrinking markets across Asia.

It is a given that the conture shows are the apex of a luxury pyramid built on brand products, often under license. Between 35 and 50 percent of the luxury business and all the recent growth has been in Asia. Yet the general view is that the high-performance brands (currently Hermes, Louis Vuitton, Prada and Gucci) will hold up if Japan and its tourists in the Southeast Asian region

continue to buy.

Bernard Amault, chairman of LVMH Moet Hennessy-Louis Vuitton, France's most powerful luxury conglomerate, said Sunday that the situation of his publicly quoted empire was not as dramatic as was generally assumed.

"It is very complex," be said. "Our figures are slightly down, but not badly and Louis Vuitton is doing very well even in Korea. Because of the devaluation, the hotels have become very cheap for Japanese tourists. In Hong

Kong, we have the opposite situation. But then again, the duty-free stores are doing well in Guam."

An LVMH executive, who did not wish to be quoted, said that the duty-free stores would have to juggle the down-turn in Hong Kong and Honolulu with the tourist markets benefiting from devaluation and that Arnault's strategy behind DFS Group Ltd.'s bid for Barneys in New York, was to better balance the

group between three continents. Raiph Toledano, president of Guy Laroche, who returned from Korea a week ago, is less sanguine, saying that the country had been hit as though by an economic bomb. The two overriding problems: Tottering banks could no onger open letters of credit to import goods, and prices would double because of the devaluation. The only bonus: Retail space is now cheap and available.

"In Europe, people tend to be treating the Asian crisis with insouciance," he said. "But even the Japanese market is not so good. And for people who have licensed products — that 1980s system the situation will be very difficult unless they can build comparable markets in America and Europe."

Laroche does 50 percent of its licensed

products in Asia, 70 percent of that figure in Japan, but Toledano unscrambled a former partnership with the Hong Kong entrepreneur Dickson Poon (the other bidder for Barneys) a year ago.

In Hong Kong, things are grim. According to several fashion houses, Joyce Boutique bas asked suppliers to halt current spring deliveries that are not yet in production. In Milan last week, Roberto Dominici, Joyce's managing director, said that he expected things to stabilize by June and return to normal by the following year and that he hoped people would be tolerant.

The rumor mill claims that one leading Italian brand that bas expanded rapidly in Asia was citing cash-flow problems to staff as a reason for withholding payments for 90 days to avoid layoffs.

Singapore is also a troubled markel, according to Giancarlo Giannaetti of Valentino, where 40 percent of the company's 1997 1.8 trillion lire (\$1 billion) retail turnover was done in Asia. He said that two of their 14 boutiques had closed "overnight," but that he had great confidence in Japan.

Suzy Menkes

: Begins Talks

Merger Rush Roars On, Altering U.S.

: Barring a Bear Market, Trend Looks Set to Last

By Leslie Wayne

NEW YORK - Not since a wave of industrial takeovers created the great oil, steel and auto companies at the beginning of the century has corporate America been reshaped by a sweep of merger activity as broad as the one

taking place today.

Last year alone, a record \$1 trillion in mergers took place involving U.S.

companies, a pace almost unrivaled in American business history.

Practically every industry in the United States has been affected — from telecommunications to banking and from aerospace to accounting.

The strength of this trend is shown by the fact that the total dollar value of the mergers in 1997 was 50 percent higher than in 1996, which itself was a record year. Companies are combining to create entities on a scale larger than any-thing before, reflecting a growing belief among government regulators, and many business executives, that big business is not necessarily bad.

This is an astonishing merger "wave," said Robert Pitofsky, chairman of the Federal Trade Commission, which regulates mergers. "We haven't seen anything like this in quite some time. More and more deals we see really should be judged on a global market scale, not just on national or local markets. Mergers go through now that would have been challenged just 10 years ago because competition now comes from all corners of the world."

He added, "I do not believe that size alone is a basis to challenge a merger transaction.

Propelling this trend are several factors: An end to the Cold War has ushered in a new era of political stability and expanding capitalism, opening new markets in Europe and Asia. As a result, U.S. companies have had to strengthen themselves to exploit opportunities abroad and to fend off overseas competitors, some of which have also been expanding through mergers.

This is all taking place amid a surging stock market and bargain-basement interest rates that make financing these

How long this merger pace can con-'tinue is anyone's guess. A falling stock market could end it. Should worldwide economic growth slow, the demand for U.S. goods and services could be dampened. And some companies may

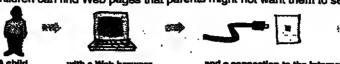
See MERGERS, Page 13

A Tool That Filters the Web, for Better or Worse

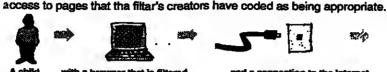
The World Wide Web Consortium has andorsed a technical standard for filtaring electronic information on the Web, called PICS. The new standard is being

cheered as a tool for concerned parents, but at the sama time it is being attacked by civil libertarians as a maans of censorship.

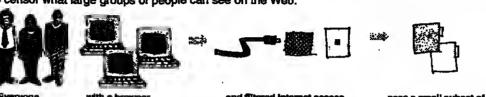
Children can find Web pages that parents might not want them to see.



But with a filter, which can be built into the preferences of a browser, children would only have



Civil libertarians are concerned that filters may be used by Internet service providers or governments to censor what large groups of people can see on the Web.



A 'Technical Standard,' or a Muzzle?

Critics See a Mechanism for Censorship in New Set of Internet Rules

By Amy Harmon New York Times Service

NEW YORK - In a private vote by e-mail a few days before Christmas, a group of about 200 computer scientists and engineers endorsed a set of rules that could govern some of the most fundamental ways people around the globe will get electronic information - and will be prevented from getting it - in years to come.

Members of the group, the World Wide Web Consortium, at the Massacbusetts Institute of Technology, say they were simply agreeing on a technical standard to allow muchoeeded filtering of the Web's vast store of information.

They were building a tool, they say, oot passing a law. And in that spirit, little notice was taken of their action, which revolved around the arcane technical specifications and lines of computer code that define the "plat-form for Internet content selection" or, in the trade, PICS.

But a number of civil libertarians argue that these technologists are in some ways acting as an unelected world government, wielding power that will shape social relations and political rights for years to come. In cyberspace, these critics assert, computer code has the force of law.

The filtering system, a technology for defining what parts of the Web will be accessible from a particular computer or group of computers, was originally conceived as a way to head off government regulation of speech in

After the Supreme Court struck down the Communications Decency Act last June, declaring it an unconstitutional restraint of free speech, such technology was widely seen as the best alternative, because it would enable parents to shield children, with a few clicks of a computer mouse, from information deemed harmful.

But in an increasingly vigorous debate, civil-liberties groups are con-demning the PICS technology as a mechanism for censorship, while Tim Berners-Lee, inventor of the World Wide Web and director of the consortium that approved the standard, is defending it as a force for social good.

Critics argue that repressive governments can use the filtering technology as a tool to screen political speech and that in the United States the most likely application will effectively block much of the constitutionally protected expression that has made the Web a particularly democratic medium.

"This is a technique that is designed to enable one party to control what another can access," said David Sobel

of the Electronic Privacy Information Center. "The most palatable formulation of that is parent-child, but the fact is it also allows a government or an Internet service provider to take on that parental role and decide what anyone downstream is going to be able to see — and no steps have been taken to prevent that."

Microsoft Corp. has already incorporated an early version of the content-selection technology into its Internet Explorer Web browser. Freespeech advocates fear that the rules endorsed last month will speed up the technology's adoption by making it far easier to use.

Which is exactly the point, the defenders of the filter standard say. At a recent meeting of Clinton adminis-tratioo officials and Internet industry representatives in Washington, Vice President Al Gore stressed a need for the information industry to provide parents with easy technological fixes. Mr. Berners-Lee, who invented the Web at the CERN laboratory in Geneva as a seamless world of in-

formation accessible from any kind of computer, insists that the benefits of the "PICSRules," as the recent addioon to the standard is known, outweigh its drawbacks.

See FILTER, Page 15

2 Russian Oil Firms **Create a New Giant**

Yuksi to Be World's 3d-Largest Producer

By David Hoffman

MOSCOW — Two of Russia's biggest oil companies, AO Yukos and AO Sibneft, both backed by powerful business magnates, announced plans to merge Monday into what will be Rus-sia's new oil giant and one of the largest in the world.

The merger created a new oil major, called Yuksi, which will have about 22 percent of Russia's crude-oil production and 16.5 billion barrels of reserves, including 13.9 billion barrels of proven reserves. The company will include two other firms, Eastern Oil Co., recently acquired by Yukos, and East Siberian Oil & Gas Co., recently acquired by Sibneft, both at government privatiza-

The new company will surpass AO Lukoil Holding as Russia's largest oil company. Yuksi said in a statement it would be the world's third-largest oil company, based on 1996 production.

The merger plan provided a fresh demonstration of the push by Russian tycoons to build ever-larger conglomerates. Over the past few years, a handful of business moguls with good political connections have transformed their post-Soviet banks into mammoth financial-industrial groups, taking advantage of state property sell-offs at rock-bot-

The two moguls behind the merger are Mikhail Khodorkovsky, 34, chairman of Yukos, who bas announced his ambitioo to build a global oil company, and Boris Berezovsky, 51, who has interests in oil, airlines, autos, media and poliocs, and is a former deputy of the Kremlin security council. Mr. Berezovsky is thought to own about 90 percent of Sibneft.

Both Yukos and Sibneft were snapped up during a controversial government property sell-off that beoefited many executives with close ties to the Kremlin, Mr. Berezovsky led a group of seven tycoons who contributed millions of dollars to President Boris Yeltsin's re-election campaign in 1996 and who are often referred to here as Russia's new business oligarchy.

By putting together Yakos, which had gross reveoue last year of \$5.2 billion, and Sibneft, with revenue of \$3.13 billion, the two magnates have also created a formidable new competitor for the state-owned Rosneft oil company, which is expected to go on the anction block early this year.

Already, the Russian gas monopoly RAO Gazprom has announced plans to join with Royal/Dutch Shell Group in a bid for RAO Rosneft, and the Russian banking group Uneximbank has allied with British Petroleum PLC.

Ivan Mazalov, an analyst at Cenrelnvest Securities here, said the Yuksi deal appeared to have been hastened by the need to raise cash for a Rosneft bid. The government has said it hoped to receive \$1 billion for Rosneft, Mr. Khodor-kovsky said Yuksi would bid for Rosneft and several smaller state oil companies to be sold off this year.

'Putting their assets together creates

more credible collateral, which sounds very big," Mr. Mazalov said. 'II will facilitate raising cash." He said the merged company would have to seek foreign investors just as

Gazprom and Uneximbank have done. Mr. Khodorkovsky, who will be the new president of Yuksi, took center stage for a news conference after the announcement, but Mr. Berezovsky did not appear. However, both were at the signing ceremony, also attended by Prime Minister Viktor Chernomyrdin, a former Soviet gas industry executive who is soll close to the oil and gas sector

The new company has a refining capacity of 415 million barrels a year and refined 317 million barrels last year. It has a combined work force of 200,000 people, and many of its operations are concentrated in Siberia.

■ Gazprom Sets Polish Accord

Poland signed an agreement with Gazprom, settling its account for last year's gas supplies as well as the purchase of about 7.6 billion cubic meters of gas this year, Gazprom's chairman, Rem Vyakhirev, said, Bloomberg News reported from Warsaw.

Under the agreement, Poland will pay 70 percent of the cost — or about \$340 million - in goods and services and the rest in cash, Mr. Vyakhirev said. That covers about \$170 million that Poland owes from last year's gas deliveries.

The agreement, Mr. Vyakhirev said, is good for Gazprom and good for Poland, which gets most of its natural gas from Russia.

We restructured our financial relations, and actually two-thirds of the money you owe us will stay in your country, belping to develop your in-'Mr. Vyakhirev said.

He also promised that gas would continne flowing and Poland would not be

Aleksander Gudzowaty, president of Bartimoex, a Polish com as an intermediary between Poland and Gazprom, said no decision had been made on which goods and services Poland would use to pay its gas bill.

"Apart from construction services, some machines for the energy industry and agricultural products, the full list will be known in two months," he said.

Silver Lining Department: Air Fares Plummet in Bangkok and Seoul

By Don Kirk . . Special to the Herald Tribune

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SEOUL - Asia's economic trauma comes with an apside for air travelers in search of bargain-basement tickets for flights throughout the region and sometimes around the world.

Scoul ranks along with Bangkok these days as the place to buy tickets at a fraction of what they cost a few months ago - if the traveler is spending dollars or most other Western currencies. The reason is simple: Both the South Korean won and the Thai baht have

those countries are still sold in local currencies pegged to exchange rates set when they were worth twice what they So anyone traveling on a budget based on the U.S. dollar who is able to buy an airline ticket in Seoul or Bangkok gets a huge break. The airlines'

lose, unless they raise their prices, which very few are doing.
In South Korea, the won has fallen in vaine against the dollar to about half of what it was worth four years ago when

In those halcyon times, at the crest of the South Korean economic miracle, the bargain-hunting traveler could typically bny a round-trip economy ticket to New York for about \$1,000. Now prices range from the equivalent in Korean won of about \$400 to somewhat over \$600 with no need to purchase in advance or fix the date of departure and return.

The same applies to Bangkok, where one-year round-trip economy ockets to New York cost about \$690 and to San Francisco about \$525. Thai Airways plummeted in value, and ockets in both charges \$520 for a round-trip ticket

from Bangkok to anywhere in Europe.
Fares are so low, "we can't even
cover the costs for the weight of the passenger," said United Airlines' country manager in Thailand, Warren Gerig. Low air fares, however, are by no means universal around the region. In Indonesia, international flights, previously priced in rupiahs, now are pegged

to dollars while domestic tickets remain strictly in rupiabs. Travelers also pay as much as ever for tickets in the Philippines and Singapore,

CURRENCY & INTEREST RATES

Jan. 19 Libid-Libor Rates

that they could gamble on pricing tickets in won rather than pegging them permanently to the dollar.

Where ticket prices are calculated in U.S. dollars. Tickets purchased in Hong Kong remain at the same price level because the Hong Kong dollar is still pegged to the U.S. dollar. The country managers and general

managers of the more than 50 airlines flying into Bangkok, long a bub for international flights to Europe, elsewhere in Asia and across the Pacific, have so far failed to win permission from Thailand's Civil Aeronautics Board to peg their fares to Western currencies.

They said the devaluation of the baht was a temporary phenomenon," Mr. Gerig said. He warned of the consequences for the Thai economy if airlines could not charge fares in hard currencies. "Carriers will reduce frequencies and eventually pull out altogether," he said. "The hospitality industry will suffer. Tourism is Thailand's No. 1 industry."

Cash-strapped local customers, who are paid in local currencies that have hardly risen despite devaluation, are already choosing to stay at home. Carriers from Seoul are cutting routes and dropping fares to try to fill their planes. which typically leave here with half of

Some airlines are competing with one another for bargain sales below the already low prices, said Kang Moon Sook, marketing manager at Sharp Travel. "There are so many seats from Seoul to the U.S., they are dumping air fares," she said. "They are willing to bargain on fares with customers."

In Malaysia, travel agents earlier this month cut by 20 percent fares that were, in dollar terms, already at bargain basement prices. Because ticket prices in Malaysia are controlled by a nadonal association that includes 22 member

their seats occupied, and often far less. airlines, the move amounted to an demand for seats. Among the hardest hit across-the-board fare cut. A round trip ticket from Kuala Lumpur to Bangkok, about \$300 before the currency crisis, now costs \$162 on Malaysian Airlines.

The two Anstralian airlines. Oantas and Ansett, are canceling all their Seoulto-Sydney flights next month while Air New Zealand, Turkish Air and Continental Micronesia Air have already discontinued service. Qantas has also announced that flights between Australia and Indonesia, Thailand and Malaysia will be suspended or reduced in frequency because of plummeting pur.

are the two South Korean carriers, Korean Air and Asiana, both of which operated at huge losses before the won devaluation. Korean Air has cnt many of its flights to Asian destinations.

The airline last week increased fares on its domestic flights by 19 percent in won terms. "We cannot increase our fares more sharply," said Shin Mu Chol, a Korean Air spokesman. Asiana raised domestic fares by 18 percent.

With Thomas Fuller in Kuala Lum-

Thinking Ahead / Commentary ·

Asia Crisis Will Bolster U.S. Prestige

By Reginald Dale ional Herald Tribune

ASHINGTON — As Asia's economic crisis has intensified, it has been widely noted that most of the urgent short-term remedies prescribed by the international financial A telling sign was the recent de-community are labeled "Made in cision by Gazprom, the giant Russian America. Only now is another point beginning

to sink in: The upheaval is likely to bolster America's global influence over the longer term, too.

The sudden collapse of Asia's house of cards is beginning to be seen as the end of an outdated economic and political system — based largely on the mercantilist, government-run Japanese model — much as the fall of the Berlin Wall symbolized the demise of commnaism.

Not only will the new Asia that is struggling to be born look much more like America, but the United States will probably also find its international economic and political dominance en-

Roger Robinson, a Washington financial consultant who once worked ical purposes. on the National Security Council, says only a little fancifully that the world is witnessing the dawn of a oew financial Pax Americana that could extend U.S. ority - they must do what the financial leverage over China and Russia as well as the rest of Asia.

He means that China and Russia will probably find themselves urgently needing funds at the very moment that

market and the U.S. Congress could increasingly set the tone for big demands for international capital by insisting on closer scrutiny — including on issues of national security.

The Asians must turn to America for leadership.

billion bond offer in New York following U.S. political opposition to its plans for a joint venture with the French company Total in Iran.

All this, of course, would not be to everybody's liking. In Asia, there is already resentment against the United States and the International Monetary Fund for demanding bankruptcies, unof financial aid. That resentment would grow if the United States lonked as if it were restricting capital flows for polit-

Nevertheless, if the Asian countries are to restore confidence in their economies - which has to be the top primarkets expect. And that means moving toward American standards of disclosure, corporate governance and ac-

countability. It is not just a question of putting an be in jeopardy.

the United States is establishing ever American finger in the dike while more dominance over the world's sup-ply of capital. The New York bond team. As Soogil Young, a leading South Korean economist, conceded in Washington last week, his country does not have enough credit analysts, regulators, accountants and auditors to do the job itself.

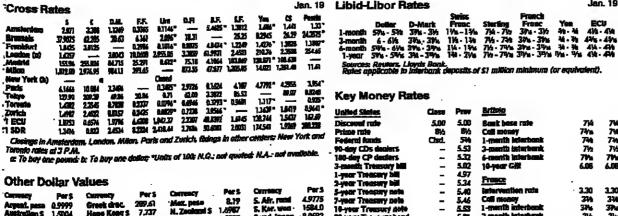
South Korea, like other Asian countries, will need foreign, meaning largely American, belp to root out the "crony capitalism" that is one big cause of Asia's problems.

More broadly, the crisis has shown that the Asians have nowhere but America to turn for leadership - and for export markets. China and Japan have failed to act like great powers, and the European Union has been absent, although that may change when it has

its single currency in place. This does not mean that all "Asian values" have to be swept away. The term is too often used without distinguishing between bad characteristics like authoritarian rule and employment and recession as the price cronyism, and good ones like hard

work and family values. Mr. Young is plausibly optimistic that a more open, dynamic new Asia will emerge that might be more American yet retain some Asian elements, like cooperaove labor-management re-

For America, it will be essential not to turn inward as the Asians try to export themselves out of trouble. If Americans were to turn protectionist, it would be their own model that would



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Aller Begins Talks

Pound Rises As Inflation Fears Grow

LONDON - The pound gaine against the Dentsche mark Monday amid expecta-tions he Bank of England will raise nterest rates as evidence of strug retail sales fuels concern sout inflatioo in Britain. Beter-than-expected Christ-

mas ales will probably increase December retail sales figure, which are scheduled for releas on Wednesday, and prompt the central bank to lift rates, conomists said

In iddition, a survey by the researb firm Dun & Bradstreet Inc. slowed that 61 percent of British companies expected to raise pices this quarter.

"Raes are going up once, and maybe twice," said Francis Breeden, economist at Lehman Brothes. "Unfortunately, in the U.K. ve have price pressure and strong growth, so we've got a problem." Five interest rate increases last year, pushing the benchmark rate to 7.25 percent, havenot slowed inflation.

The retail sales report is expeced to show that retail sales ros(0.4 percent last month, revering a decline in November, according to economists. ..

Expectations for higher rates helied lift the pound to a close of .0043 DM, up from 2.9911 DN on Friday. The pound at one point traded as high of 3.0222 DM, its highest since reahing 3.0289 on Ang. 7. Aginst the dollar, it rose to \$1.357 from \$1.6340 in Londor trading. U.S. markets were cloed for a holiday.

Bidding War Erupts for Allied Colloids Group

Compiled by Our Stuff From Disposches

LONDON - A high-stakes bidding war for control of Allied Colloids Group PLC erupted Monday.

Ciba Specialty Chemicals Inc.
Hercules made what it called its final offer of 195 pence (\$3.19) a share for Allied Colloids, countering a bid from Ciba of \$2.05 billion. or 182.5 pence a share. Ciba said it

Allied Colloids shares soared as

The market is now assuming there will continue to be a bidding

Hercules Inc.'s Latest Offer of \$2.2 Billion Passes Ciba's

Hercules, which as been fighting for control of the British specialty than acceptable.

'Our second final offer of 195 pence per share in cash is more than generous, and we are confident that and any predator should be prepared shareholders will see it as such," Hercules's chairman and chief execntive, Keith Elliott, said.

Bnt shareholders of Allied Colin value by more than 50 percent since the original Hercules bid was announced, were advised by the

company to sit tight.

Allied Colloids said it had urged sharebolders to 'take no action' and that "a further announcement will be made as soon as practic-

Both Ciba and Hercules want to hard at the real value to Ciba of the expand in higher value-added spe- deal," the analyst said. "I1 could be chemicals group since November, cialty chemicals, and British assets there, and it is a good business, but insisted its latest offer was more seem cheap right now, analysts they are paying quite a high price for said.

'Clearly, Allied Colloids would to meet the market price," said Martin Evans, an analyst with Sutherlands Ltd., a British brokerage.

But one London-based analyst loids, who have seen their stock rise said a match between Ciba and Allied Colloids was not an obvious one, with Colloids based in the niche "From a financial poi area of soluble polymers used for water and sewage treatment as well as by the textile and paper industries. Ciba's strengths are concentrated in areas such as additives,

pigments and dyes. People will have to look quite ive.

But a Swiss analyst said there were synergies between Ciba, which was spun off from Ciba-Geigy AG when it merged with Sandoz to form Novartis in 1996, and Allied. He said Ciba had about \$2 billion available to make a bid. It also has significant British operations that could

From a financial point of view Cíba's bid makes a lot of sense, "said Wilhelm Blaeuer, an analyst with Pictet & Cie.

"I'm not sure there's much strategic logic, though, because some of (Bloomberg, Reuters)

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Investor's Europe

of Thomson Marconi Sonar, a ven-

Very briefly:

Suedwestdeutsche Landesbank Girozentrale, in a merger of German state-owned banks, is combining with Landesgirokasse-Oeffentliche Bank & Landessparkasse and Landeskreditbank Baden-Wuerttemberg.

• Deutsche Morgan Grenfell hired former Bill Harrison, a former chief executive of BZW, to head its global corporate advisory operations.

 Guinness Peat Group PLC bid £42 million (\$68.8 million) for the troubled toymaker Bluebird Toys PLC.

 Mannesmann AG is merging its large-pipe operations, run jointly with Dillinger Huettenwerke, with those of British The European Commission said it had made progress in

negotiations with France on a new aid plan for the troubled state-owned bank Credit Lyonnais. • OPEC countries' oil output rose 7.3 percent in 1997, but

revenue from oil sales rose only 3.5 percent, the specialist oil weekly Petrostrategies reported,

with Hercules Inc. raising its bostile bid twice, to \$2.2 billion, to try to thwart a white-knight offer from

may increase its offer.

the fight over the company mounted and closed the day 17 percent higher at 196.5 pence.

war and oeither party will go away," said Robert Friedman, semor vice president of Franklin Mntual Advisers.



Compiled by Our Staff From Dispatches

PARIS — The French government on Tuesday will appoint Denis Ranque as head of the defense-electronics company Thomson-CSF, officials of the government and the company said Monday.

After weeks of indecision, the government has opted to appoint someone from within the group, the

Mr. Ranque, 46, now the managing director of Thomson Marconi Sonar, would replace Marcel Roulet, who is to retire at the end of

Mr. Ranque's main task will be the partial privatization of the new Thomson-CSF group in the context of a merger decided in October with

son-CSF officials said that the appointment would be made at a board meeting to be held Tuesday.

The business newspaper Les Echos reported that the appointment of a young executive from inside Thomson-CSF was a signal that the government wanted to "assure the cohesion of the gronp," whose executives have feared it would be disconstant.

Mr. Ranque, a product of two of France's most prestigious engineering schools, worked in the Industry Ministry and then moved on to the state-owned Thomson group in 1983 as bead of planning.

In 1989, be became director general of Thomson Tubes Electroniques and then president and man-Denis Ranque is to replace Mar- Alcatel Alsthom SA, Aerospatiale aging director of Thomson Sintra more than cel Roulet at Thomson-CSF. and Dassault Industries SA. Thom- ASM. In 1997, he became president billion).

ture owned 50.1 percent by Thom-son-CSF and 49.9 percent by General Electric Co. of Britain. The French government owns 58 percent of Thomson-CSF, which is in the midst of a major restructuring

as part of a consolidation of the Freech defense industry.

Alcatel Althsom, Aerospatiale and Dassault Industries are joining Thomson-CSF as strategic partners in a capital and industrial reorganization due to be undertaken later

The creation of a new Thomson group, enriched by the participation of Dassault, Alcatel and Aerospatiale, is expected to be completed by spring. The group will be worth more than 50 billion francs (\$8.15 (AFP, Reuters)



MERGERS: Frenzied Pace for U.S. Acquisitions Continued from Page 11 government have steadily increased each

simply have so much trouble digesting their partners that any hunger for further acquisition will vanisb.

What could derail this?" asked Steven Helle, bead of global mergers at Goldman, Sachs& Co. "An upward movement in interestrates, a downdraft in the stock market, a worldvide credit crunch, an industrial redessict. If those things happened, we could see a hange. Or it could be something that just comes out of the blue."

What is taking place at the end of the 20th centuy is a reprise of the industrial upbeavals that took place at the beginning of the century, when nore than two dozen auto companies mergel io 1908 to create General Motors Corp. and when the financier J.P. Morgan paid \$.4 billion in 1901 to acquire Carnegie Steel Corp.

The U.S. Steel combination set a record that renained unbroken for more than half a centur. Today, billion-dollar deals are far more ommon. In 1997, there were 156 mergers of I billion or more --- 60 percent more than jist a year earlier, according to the researci firm Securities Data Co.

In just the last three years, more than 27,600 companies joined bands, completing more embinations than in the entire decade of the P80s, once considered the high point

"Thewhole private sector of our economy bas unergone a truly unbelievable transformation," said Richard Huber, chief executive if Aema Life & Casualty Co., which has beome America's largest managed health-are company through mergers, in-cluding the \$8.9 billion acquisition of U.S. Healthore in 1996.

'Conpanies bave decided to go for size,' Mr. Huler said. "They've made a decision to go for ig scale or fall back and be a niche player. There is no middle ground."

As a result, many industries are finding themselves with fewer but bigger companies, eachoe usually taking a bigger market share. For example, mergers have reduced the number of arge military contractors to three — Boeing Co., Raytheon Co. and Lockheed Martin Corp., which was created from five companies and is pursuing a sixth.

Fedcal regulators bave seen a doubling in the number of so-called Hart-Scott-Rodino

filings - the paperwork that is required for all projosed mergers exceeding \$15 million in ive years, to 3,700 for fiscal 1997, which nded Sept. 30.

The conomic turnoil in Asia has not yet dampesed the trend. Since the Asian problems intensifed in October, merger filings with the

Meiger Rumors Buoy Allied Domecq's Shares

Bloomherg News

LONDON - Allied Domecq PLC's shares rose 4.78 percent Monday on speculationthat it might merge its alcoholic drinks busines with that of Seagram Co.

Allind Dornecq, a beverage and retailing company based in London, has also talked with oner spirits companies and, although no mergeris expected immediately, the Canadian company Seagram is the most likely partner, peoplefamiliar with the situation said.

A nerger would bring together Allied Domeiq's brands like Ballantine's scotch whisk and Beefeater gin, and Seagram's

Chiva whisky and Mumm Champagne.

I bink it will bappen, but not right (way," said Philip Hawkins, analyst at Merill Lynch. 'There are a lot of problems to vercone and the purchase of Dewar's or sombly gins by one or both of the companies could cause delays. It's likely that you would see an interim joint venture or distribution vartneship with a view to a full merger."

The companies declined to comment on the peculation, even as Allied shares rose 26 rence to close at 570 pence (\$9.33). Allied's chief executive, Tony Hales, said

n November that consolidation was "abplutey inevitable.

month, said Connie Robinson, director of merger enforcement at the Justice Department. In the opening days of 1998, the telecommunications industry continued its hot streak with AT&T Corp.'s \$11.3 billion offer for Teleport Communications Group and SBC Communications Inc.'s \$4.4 billioo offer for Southern New England Telecommunications Corp. The rationale behind such combinations i

different from what motivated the merger barons at the beginning of the 20th century. It is also different from the motivation of the hostile takeover artists who roiled corporate America in the 1980s.

Today's mergers are driven by a desire to gain global, not just national, reach. Moreover, many acquiring corporations have benefited from the surging U.S. stock market, raising the value of shares that are often used currency in acquisitions

After nearly a decade of reorganizing and downsizing, U.S. corporations realize they cannot wring any more profitability through cost cuts and layoffs but need to join forces often with former rivals -- to remain industrial leaders and protect their bottom lines.

"All the cost-cutting and downsizing that took place in the early 1990s, for which business was so soundly criticized, is finally paying off," said Robert Cotter, co-head of mergers at Salomon Smith Barney. In the 1980s, many takeovers were hostile

deals that were heavily financed by debt and were based on breaking up corporations and selling their parts. Today's mergers, however, are usually aimed at building companies and are financed primarily with corporate stock, not borrowed money.

Meanwhile, Cold War uncertainties have

been replaced around the world with a desire to achieve a rising standard of living — which opens markets for U.S. products, services and

"In the 1980s, people talked about globalism but weren't acting globally," said Anthony Magro, head of the merger department at Bear, Stearns & Co. "Now they are. American business used to ask 'What is wroog with us?' But Europe goes into a slump. Japan goes into a slump. Capitalism wins, and the Cold War ends. There is American business left standing alone with a rising stock market and the world appearing to be its oyster."

An example of bow these factors came together is the \$6.9 billion takeover of Fort

Howard Corp., a paper company, by James River Corp. of Virginia, a former competitor, creating Fort James Corp., now the nation's No. 2 consumer paper company. The deal brings together complementary product lines. Fort Howard's superior manufacturing lines and James River's marketing prowess to better take on the bigger Kimberly-Clark Corp. and Procter & Gamble Co. 'This is a merger of co-equals who are

better off together than apart," said Chief Executive Miles Marsh. "It pushes us forward in that grand opportunity that lies ahead of us called worldwide growth."

In the last five years, there have been 2,492 mergers worth more than \$200 billion among commercial banks, 1,435 deals worth \$162 billion in radio and television, and 5,114 deals worth \$110 billion in the insurance industry. according to Securities Data Other areas with heavy merger activity in

the last five years are health services, with \$107 billion in deals; investment brokers, \$104 billion; utilities, \$100 billion; oil and gas refining, \$96 billion, and hotels and casinos, \$84 billion. So far, little concern has been expressed

either in Washington or in academic circles. The government has shifted its antitrust policy from well-known rules that restricted big mergers to a more flexible economic analysis that allows more big companies to unite. Still, not all deals pass muster.

The Federal Trade Commission, for instance, balted a proposed \$4 hillion merger last year between Office Depot Inc. and Staples Inc., the two largest U.S. office-supply retailers. While the move surprised many, Mr. Pitofsky said the denial had come about because evidence showed that consumers in areas where there was only one office superstore paid higher prices than consumers in areas with competition.

The Market

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Kingston Chiefs Give Softbank a Big Break Very briefly:

By Andrea Adelson New York Times Service

NEW YORK - "Talk is says John Tu, chief excheap." ecutive and co-founder of Kingston Technology Corp., who sought to show in December 1996 that he was not stingy by handing ont \$100 mil-lion in bonuses to 500 employees.

Now, Mr. Tn and David Sun, two engineers from Taiwan who founpractice again, but with a new twist. This time, their generosity has increased more than threefold, to \$333 million. The recipient, though, is Softbank Corp., the Japanese software company that paid \$1.5 billion for an 80 percent stake in Kingston in August 1996

SAN FRANCISCO — Intel

Corp. is planning to introduce soft-

ware that will speed up the delivery

of graphically intensive Web pages

over the Internet.
Intel said Monday that two In-

ternet service providers. NETCOM

Communications Inc. and Erol's In-

ternet, had signed up to offer the

software as a premium feature of

Internet access, and deals with other

Internet access providers are expec-

ted soon. Intel also enlisted the dis-

Web Technology, is sold directly to

and installed on the servers of the

Internet providers and requires only

OuickWeb was designed by In-

a setting change on consumers

browser software.

The software, called Intel Quick-

tribution company GlobalCenter.

Sending Web Pages Faster

Intel Planning to Offer Software to Help PC Chip Sales

tel's Architecture Labs and Internet Arlen Communications in Beth-service providers will charge users esda, Maryland, "Fast is good."

In an unusual combination of sellers' remorse and corporate fealty, the two Kingston founders agreed to forgo the final \$333 million in payments that Softbank owed them this month and last. Instead, they agreed to revise the terms of their company's acquisition, even without a contractual obligation to do so, because Kingston's earnings have failed to meet expectations.

In lieu of a final payment, Softded Kingston in 1987 and built the bank agreed to pay Mr. Tu and Mr. company into the world's largest Sun \$450 million if Kingston's anmaker of computer memory boards. nual earnings averaged \$300 million are putting their business ethics into over the next seven years or if Kingston were sold or went public with a valuation of \$1.8 billion or more.

"We could do nothing and say 'a deal is a deal," " said Mr. Tu. "But on the other hand, there is partnership loyalty. That's who we are. This is the time we should show this is a long-term partnership.'

about \$5 extra a month for the tech-

marketed mostly to small-business

users and power users at home, not

necessarily cost-conscious con-

sumers. It may also target corporate

and November, 10 to 20 percent of

users said they would sign up for the

it. ' said David Preston, Intel's mar-

Mr. Preston said he hopes to turn

the software into a viable business.

Intel's ultimate goal, though, is to

make multimedia and graphically

intensive PCs faster and easier to

"It caters to Intel's direction of

delivering video and graphics on the

PC," said Gary Arlen, president of

use, thus driving more chip sales.

keting manager for Quick Web.

"In our market trials in October

Intel said its software would be

Ronald Fisher, vice chairman of Softbank's American operations, said no pressure had been applied to Kingston's founders. "The request to sit down and put the earnings back on the table came at their orging,"

David Smith, portfolio manager San Francisco, said the new terms allowed Softbank to conserve the cash needed to sustain its growthby-acquisition strategy. He said he sold 7,500 Softbank shares in October for 30 million yen (\$230,000), a 33 percent loss, because the comgrowth prospects had

The revised terms may silence some of Kingston's critics, who suggested the founders were cashin out with the Softbank deal and abandoning their uncommonly egalitarian corporate culture.

CEO Steps Down At Circus Circus

LAS VEGAS - Circus Circus Enterprises Inc. said Monday that its chairman and chief executive, Clyde Turner, had resigned after four years and would be replaced by the chief operating officer, Michael En-

sign.
The company, which owns the Circus Circus, Luxor and Excalibur casinos in Las Vegas. said it would take a charge of about 8 cents a share in its fourth quarter to settle Mr. Turner's employment contract.

Intel said the software works better on Web sites with photos, drawings and other graphics, rather than on text-based Web sites. Users lose a small amount of resolution on the

"Now, we're proving that's not true," Mr. Tu said, "Money's not everything. It's people, relation-ships, fairness." Mr. Tu and Mr. Sun remain Kingston's top two managers

While sharing their buyout windfall with employees earned Kingfor Newport Pacific Management in ston's founders fame, the employees of the company, which is based in Fountain Valley, California, have long had an unusual working environment. Mr. Tu and Mr. Sun are known for handshake deals, for not imposing a dress code, for making lunches at the company free on Pridays and for sitting at cubicles like the rest of their employees.

Of course, Mr. Tu and Mr. Sun do have an interest in seeing Softbank thrive. Besides retaining 20 percent of Kingston, they own 5 percent of Softbank making them the second-largest shareholders after Masayoshi Son, the company's president.

The renegotiation of the Kingston deal comes at an opportune time for Softbank. About 70 percent of the company's operating profit comes from its American acquisitions, which, besides Kingston, include the huge Comdex personal com-puter trade show and the Ziff-Davis computer publications.

Mr. Smith of Newport Pacific said it was hard to see how Softbank's buying binge could continue. In November, the company said earnings for its financial year ending March 31 would be considerably lower than expected. Meanwhile, Softbank's stock, which trades in Tokyo, has plummeted from a peak of 12,307 yen in April 1996 to close Monday at 4,370 up 500.

There appears to be no dispute that the revision of the deal benefits Softbank, but Mr. Tu denies that was a motivation. "We weren't thinking about helping them to make their stock look better," he said, nor were his assets the concern when agreeing

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U.S. Businesses See Rising Health Costs

WASHINGTON (Bloomberg) -Business health costs rose just 0.2 percent last year after a surge in enrollment in managed-care plans, according to a study released Monday. These plans, though, reeling from

years of absorbing rising medical costs to win customers, are expected to raise premiums sharply this year to combat declining profits, according to the study by the consulting firm William M. Mercer Inc. Businesses are budgeting for an average increase of 7 percent in their health benefit costs this year, the study said.

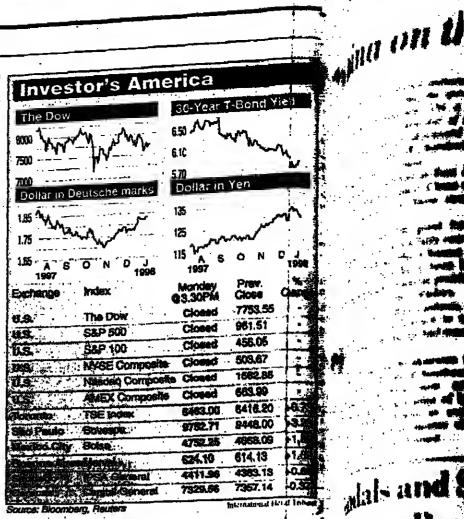
• Cambior Inc., a Quebec gold mining company, agreed to buy the 50 percent of the Doyon Mine that it did not already own from Barrick Gold Corp. for \$95 million. Cambior will also swap its 50 percent interest in its El Coco exploration property in northwestern Quebec for certain Barrick interests in properties adjacent to the Doyon site.

 Suncor Energy Inc., an energy company based in Calgary. Alberta, said its fourth-quarter profit rose 53 percent, to 72 million Canadian dollars (\$50.2 million), because of increased production and higher natural gas prices. Revenue fell 1.4 percent, to 565 million dollars. while cash flow from operations, an indicator of an energy company's ability to finance future growth, rose to 184 million dollars from 154 million dollars.

 Jefferson Smurfit Group PLC, an Irish paper and packaging company, said its Mexican subsidiary, f nurfit Carton & Papel de Mexico SA, had sold its plastics division to the U.S.-based packaging maker Owens-Illinois Inc. for \$8.4 million. Jefferson Smurfit said the sale to the new terms. "If I was worried was part of its plan to focus on its about myself," he said, "I'd say.

Take the \$300 million."

Bloomberg



To Our Readers

Stock markets in the United States were closed Monky is observance of the Martin Luther King Jr. holiday, the first such occasion since the holiday was declared in 1986. Training will remove a resident of the control will resume Tuesday.

Japan Bre

Weekend Box O	TIICE	
LOS ANGELES —	The Associated Press "Titanic" dominated the a gross of \$29.5 million	i i
Following are the To	p 10 moneymakers, base	ed on estimates
for Friday through Sun	day.	
1. Titonic	(Thereigh Centry-Fox)	STY 5 miles
2. Good Will Hunting	(Miramax)	\$11 mitte
3. Follop	(Tester)	59 2 miller 1
4 As Good As It Gets	(Tristor)	15 3 miller
5. Hord Rola	(Paramoun'il	\$? 2 milio .
6. Half-Baked .	(Universal Pictures:	Se Remiller
7. Wag the Dag	"(New Line Cinema!	SA.2 millio
S Tenungan Blace Place	Clarked delletel	es Smiller 25

\$4.5 miljn \$7.7 miljn

WORLD STOCK MARKETS

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China on the Edge: Region's Crisis as a Spur to Reform

China has so far appeared immune to East Asia's financial turmoil and the specter of a sharp economic slowdown. On a visit to Singapore, Ezra Vogel, director of Harvard University's Asia Center, discussed China's prospects with Michael Richardson of the International Herald Tribune.

Q: The financial turnoil in East Asia has hit many countries very hard. China seems to be a bastion of stability. How strong is it

A. China has had the good fortune of the banking system and reform of los having a currency that is not fully convertible. Paradoxically, because the Chinese haven't problems they see in Southeast Asia. made that reform, they have been less vul-nerable to the region's financial problems and the pressures from currency traders.

Because they have that cushion, the international crisis of confidence in many of East Asia's economies has not had much effect on China.

However, China has weaknesses that are precisely similar to those of Southeast Asia. The Chinese authorities now are very anxiously working on problems of bad debt and state enterprise reform to avoid any worsening of their own economic situation. They are running very frightened.

Q & A / Ezra Vogel, Asia Scholar

Q: What impact is the trouble in Asia out in its all-important export drive?

A: Yes, it will China is in competition for a having on China?

A: I think that the impact of those problems will be to push the reforms faster. China will slow down its moves to make its currency fully convertible. But it will speed up the effort to deal with the problems of bad loans in the banking system and reform of loss-making state enterprises. They want to avoid the

Fortunately, China has opened up since 1979. Its economic managers have enough understanding of outside developments that they are able to respond more quickly and appropriately. China has very large financial reserves — about \$140 billion of foreign contency — so it's in a relatively strong

position at the moment. Q: There have been very large currency depreciations in many East Asian countries. including those that are often in bead-to-head competition with China for export market share. Won't that put China under a lot of pressure to devalue the yuan, lest it risk losing

number of its industrial exports with this pert of the world. An industry like furniture manufacturing in Southeast Asia or China, where most of the inputs are local and where lower pricing arises from depreciation, will make a huge difference. Already buyers are moving very quickly to Southeast Asia to secure things like furniture and certain kinds of electronic products. That will add to the pressure

on China for devaluation. A second factor is domestic. If China wants to push ahead with state enterprise reform, it's going to cause a lot of hardship. Many people will be laid off. There will be social unrest. As a result, local political leaders will say: "The pain is too much. We are in danger of having social chaos. The solution is devaluation." Later this year, as China begins to have

difficulties with unemployment and if its exports start to decline, there will be lots of

At the same time, China understands that come very serious.

devaluation would have a terrific impact on Southeast Asia and that it would adversely influence relations with that part of the world. Q: China's bilateral trade surplus is already

a major political issue in America. Wouldn't devaluation only increase it and harm relations with the U.S. as well? A: I don't think a devaluation would have

that big an impact on U.S.-China relations. Chinese exports to the U.S. are already very large. It's going to be more of an East Asia problem than a China problem. Because of the currency depreciations in East Asia, exports from all over the region will flow into the U.S. on an enormous scale.

Q. If China devalued and Southeast Asia's problems became more acute, how would it affect Beijing's relations with the region?

A: That's where the real problem comes. A Chinese devaluation may touch off a new round of devaluations in Southeast Asia which would cause another round of difficulties for the region.

In certain countries, particularly Indonesia, where social unrest may already be fairly high, the dangers of anti-Chinese actions reminiscent of the late 1960s could again be-

Investor's Asia Hong Kong Tokyo Hang Seng Straits Times Nikkei 225 2000 20030 MAN 15000 1750 16517 17000 -15500 4000 1000 12500 A S ON D J 1997 1998 7000 A S ON D J 1997 1998 Index Exchange Prev. Monday Change Close 9,400.42 8,900.04 +5.62 Hong Kong Hang Seng 1,327.18 1,245.26 Singapore Streits Times All Ordinaries 2,650.70 2,614.00 +1.4 Sydnev Nikkei 225 16.262.04 16.046.45 +1.3 Tokyo Kuala Lumpur Composite 539.97 420.72 383.01 +9.8 Bangkok Seoul 528.77 495.91 +6.6 Composite Index Stock Market Index 7,847.62 7,895.48 0.6 Talpei PSE 1,771.89 1,676.63 Manila 413.92 Composite Index 439.03 Jakarta 2,236.73 2,208.31 Wellington NZSE-40 3,480.86 3,382.32 +2 31 Bombay Sensitive Index promaternal Heraid Test :.

Scandals and Soft Markets Hit Japan Brokers' Results

TOKYO - Hit hard by a highprofile racketeer payoff scandal at nome and financial turmoil in Asia, Japan's top three securities houses posted steep losses Monday for the ast quarter of 1997.

Nomara Securities Co., Japan's during the period. largest brokerage, posted a loss of Nomura, the 27.8 billion yen (\$215.1 million) for brokerage to be careful. its third quarter, which ended Dec. 31. For the first nine months of its financial year, Nomura said parentcompany current, or pretax, earnings tumbled 83 percent, to 21.5 billion yen, Revenue fell 34 percent, to 241 hillion yen.

Daiwa Securities Co. reported a pretax loss of 12 billion yen for the quarter. For the nine months, profit fell 83 percent, to 7 billion yen, while sales fell 12.5 percent, to 200

Nikko Securities Co., the thirdargest brokerage, reported a loss of 16.9 billion yen for the quarter and a loss of 14.8 billion yen for the nine

158 billion yen. Takamichi Arata, a Nomura director, attributed that company's loss to a sharp fall in commission income in the wake of the company's involvement in the so-called sokaiya payoff scandal and a slump in the stock market

Nomura the first Japanese brokerage to be caught up in the payoff scandal, was hit by admin-istrative penalties imposed by the Finance Ministry in July and was suspended from stock trading on its own account until the end of 1997.

Payoffs to corporate racketeers, or sokaiya, who extort money by threatening to disrupt shareholders' meetings or by offering to prevent others doing so, are illegal under the Commercial Code.

Penalties against Daiwa and Nikko were announced in December, but some customers stopped for it to continue to be tough from suspend stock, futures and options placing orders with them in Septem- here.' ber, when their offices were raided



Takehiko Isaka, director of Japan Public Highway Co., being taken to a detention center after his arrest along with two Nomura officials on suspicion of involvement in a bribery scheme.

Shenichi Yamamura, managing di- the stock market. Last month, the rector at Daiwa, "and we're looking Finance Ministry ordered Daiwa to

by prosecutors because of suspected come a drag on its economy as such trading until March 4. months. Revenue fell 22 percent, to involvement in the payoff scandal. companies find it more difficult to

'It was a tough quarter,' said raise money from banks or through transactions on its own account until Japan's financial industry has be- April 24 and barred Nikko from

(Reuters, Bloomberg) cline.

Japanese Failures Leave Record Debt

TOKYO - Bankrupt Japanese companies left record dehts of 14.4 trillion yen (\$110.6 hillion) in 1997. 73 percent more than in the previous year, as poor economic conditions priggered the collapse of several large companies, a research firm said Monday.

'We bave seen a new pattern of large-scale bankruptcies emerge in 1997, with the number of failures among publicly listed companies reaching 14 and failures of some bank-affiliated firms,"

Sboko Research reported. The 1997 debt figure was far above the previous record of 9.2 trillion yen set in 1995, the research firm said in its annual report.

The number of Japanese companies that went bankrupt in 1997 increased 10.9 percent from 1996, to 16,464, and even more are expected to fail in 1998, the report said.

It said the Japanese economy continued to be affected by a consumption tax increase last April that caused consumer spending to de-

Very briefly:

 Standard & Poor's Corp. downgraded one of Japan's largest real-estate companies, Mitsubishi Estate Co., after a review of the country's property industry.

• Nomura Research Institute said global shipments of personal computers would rise almost 18 percent this year, with laptop and other portable computers leading the growth.

 Suntory Ltd., Japan's second-largest maker of soft drinks after the Coca-Cola group, said it aimed to raise Pepsi-Cola's share of Japan's cola market this year to 17 percent from 10 percent, at the expense of Coca-Cola.

· Fujitsu Ltd. is considering reducing investment in semiconductor chip production by 30 percent to 40 percent in its next financial year from this year's levels; Hitachi Corp. plans to cut microchip production at eight Japanese plants because of slumping prices and slow PC sales.

 Vietnam reported that 30 percent to 50 percent of its state-owned companies had losses in 1997, compared with 22 percent in 1996.

 Hong Kong's Securities and Futures Commission said it had received a petition for the winding up of CA Pacific Finance Ltd.

· Lai Sun Development Co., the Hong Kong-based owner of the Four Seasons Hotel in New York and the Regent Beverly Wiltshire in Los Angeles, plans to sell some of its hotel investments after a surge in its borrowing costs.

• Sime Bank Bhd. of Malaysia named a new chief executive and sought belp from Australia & New Zealand Banking Group Ltd. in reshaping the bank, which has been weakened by losses in its stockbrokering activities.

Remers, AP, AFP Bloomberg

Thailand Cracks Down on Illegal Workers

Compiled by Our Stoff From Disposition

BANGKOK - Thailand plans to de-

"This is our country, and we want to take it back," said Labor Minister Trairong Suwankiri. "Before, we didn't bave enough local workers. Now, the situation has changed."

The deportation is part of a seven-part program introduced by the government of Prime Minister Chuan Leekpai in an effort to ease the impact of the country's economic crisis on its residents. Unemployment is expected to rise to 2 to comply with the order will face legal

Continued from Page 1

1992 while the Hyundai founder, Chung Ju Yung, was waging an unsuccessful campaign for the presidency. The group also will "block possible hostile efforts

at mergers and acquisitions" of Hy-

undai companies, said Park Se Yong, a

senior executive, who announced the

founder Chung In Yung and his family

members will be used to improve the

Mr. Park said Hyundai planned to

place outside directors on the boards of

all Hyundai companies "to enhance the

transparency of management inside our

companies." He noted that Hyundai

and three relatively small subsidiaries

Technology and Hyundai Broadcasting - already had outside directors.

— Diamond Ad, Hyundai Information

In an effort to bring credibility to

Hyundai's claims of sales and profits, Mr. Park said the group would also

bring in outside auditors and outside

financial statements." Mr. Park said.

cutbacks at a press conference.

'All available assets owned by

million people by the end of the year. The crisis in Asia has sparked a back-

next six months as part of a plan to week, Prime Minister Mahathir bin Mo-repatriate I million illegal immigrants hamad said I million foreign workers of four temporary shelters along the borour dealt with its own economic crisis. But over the weekend, he assured President Suharto of Indonesia that he would not worsen Indonesia's economic crisis by sending bome all its workers.

Thailand plans to send bome about 986,000 illegal foreign workers — most of them from Burma — by 1999. Under the plan, employers of illegal

workers will be given 45 days to prepare for their repatriation, and those who fail

SEOUL: Korea's 3 Biggest Conglomerates Plan Retrenchments

ernment required them.

Korea's currency.

other promises.

people's expectations."

group as soon as the South Korean gov-

won in sales last year — a figure that

would have amounted to about \$100

hillion at the exchange rate of a year ago

but is about half that amount in dollar

terms now, after the plunge in South

undai's commitment to its cutbacks and

substance," said a commentary on

KBS, the government-owned Korean Broadcasting System. "There were very few specifics. It's not up to

debt to equity to less than 2 to 1 over the

next four years — partly by unloading about 90 enterprises deemed borderline

or unprofitable. An LG spokesman es-

timated the value of the 90 entities at 2.4

trillion won (\$1.5 billion). He also said

companies within the groups would cease to guarantee each other's debts —

LG said it hoped to reduce its ratio of

Critics raised the question of Hy-

'Hyundai's announcement lacks

Hyundai reported a record 81 trillion

action. In addition, the work permits of an estimated 290,000 legally registered port 300,000 foreign workers over the lash against foreigners. In Malaysia last foreign workers will not be renewed.

to free up jobs for Thais, the government would have to go home as Kuala Lum- der with Burma to hold workers awaiting repatriation. Forced repatriation will not be easy, analysts said. There will be a lot of political posturing, but probably little actual policy," said Pia Bungarten, resident director in Thailand for Friedrich Ebert Stifting, a German foundation that specializes in workers rights. "Sending workers home means tracking down the illegals, building detention camps and getting a government like Burma's to

funds to rescue the group and would

bring in outside directors for the sake of

minority shareholders.

'transparency' and protection of the

A Samsung spokesman sought to

minimize the significance of closing the

three regional headquarters. Most of the

200 people employed at the headquar-

ters would simply transfer to offices of

Samsung Electronics in the same build-

ings, be said.
"We're moving from a regional

headquarters system so each company

will have more responsibility for its

operations," the spokesman said. "It's

just a question of rationalization. It's

just to increase efficiency."

Mr. Chung for years has talked of

building a steel plant, over the objec-

tions of the government. Planners and

bureaucrats have argued that Pohang

Iron & Steel Co., the world's largest

steelmaker, largely owned hy the gov-

emment, produces enough for South Korea's needs and for export too.

Mr. Park said Hyundai had only "sus-

willingly take its people back."
(AFX, AFP, Bloomberg)

Asian Slump Forces Cathay to Lay Off 5 Percent of Staff

Compiled by Our Staff From Disputches HONG KONG - Cathay Pacific Airways Ltd. announced layoffs of 760 people Monday, or 5 percent of its work force, because of the financial crisis buffering Asia.

The airline said 1997 was "a very bad year" and said 1998 so far had shown "little bope of improvement." Most of the cutbacks came in management and clerical positions, a spokesman said, adding that Cathay had about 15,600 employees worldwide before the layoffs.

Most of the dismissals took effect Monday. Hardest hit were Cathay's Hong Kong offices, where 460 people — 55 percent of them in management — were fired.

a Cathay spokesman said. "Just six months ago, I would never have thought we would be forced to resort to such painful measures as this," Cathay's managing director, David Turnbull, said.

Cathay is the latest of several

Asian airlines to be hurt hy the plunge in Asian currencies and markets since last summer. Qantas Airways Ltd. of Australia is trimming its services to Indonesia, Thailand and Malaysia, Philippine Airlines is reviewing orders for 15 aircraft scheduled for delivery this year, and Indonesia's state-owned airline, Garuda Indonesian Airways, has delayed a lease payment for Anbus planes.

Cathay has also been burt by a slump in tourism to Hong Kong since the former British colony returned to Chinese rule July 1. An outbreak of "hird fln" in

Hong Kong that has killed six people also has scared off tourists. The high cost of doing business in Hoog Kong was also a factor in the layoffs, Cathay said. (AP. AFP)

FILTER: Internet Code Leads to Dispute

Continued from Page 11

"I appreciate your concerns," be wrote in response to a statement from a civil-liberties coalition, the Global Internet Liberty Campaign. "Whilst I tend personally to share them at the should occur in public." level of principle. I do not believe that the PICSRules technology presents, on balance, a danger rather than a boon to society. I can also affirm that the intent of the initiative is certainly not as a tool for government control, but as a tool for user control, which will indeed reduce

Whatever the merits of the opposing claims, the controversy underscores the exceptional influence that technologists wield in formulating the rules that govem cyberspace. It also presages increasing tension between the architects of the Internet and the people who use it, as profound policy implications of technical decisions also lonm for privacy

the pressure for government action."

and intellectual property.

Traditionally, the technical rules that allow computers to perform tasks like sending and receiving electronic mail or documents were developed by organizations that represented the institutions. companies and individuals that most used the medium.

But at a time when the global computer network is no longer the private preserve of scientists and academics, the procedures of groups like the one headed by Mr. Berners-Lee — the World Wide Weh Consortium, known as W3C - are being called into question.

Indeed, many of the civil libertarians who oppose the filter technology ini-tially touted it as an alternative to government interference. More recently, they have concluded that speech-regulation features woven into the Internet may be as threatening to free expression

as legislation "The W3C is taking on a quasi-governmental role, and to the extent that the standards it adopts become the basic standards of the Internet, it will have more influence than most national governments will have." said Barry Stein-

INTERNATIONAL FUTURES

ican Civil Liberties Union. 'These are not mere technical standards that engineers should be establishing. This platform raises fundamental questions about free speech, and that debate-

hardt, associate director of the Amer-

Mr. Berners-Lee portraved members of the group as social activists conscious of their legislation-like power and struggling to exercise it responsibly

"Most of the people who are working on the Web are not doing it because they have a frantic urge to program," Mr.

"They're doing it because they have a vision of how society should be improved. The difference is, now people can make social things possible by creating technology, whereas before to make social things possible, really all

you could do was make laws." Ultimately, bow effective such standards are will depend on whether the major Internet browser companies apply them.

Thomas Reardon, Microsoft's program manager for Internet architecture, and a member of the World Wide Web Consortium's advisory council, said the company was continuing to evaluate whether to include the technology in future versions of its browser.

"We're certainly looking at which users get the most from it, and we're also aware of the downsides of government abuse, especially in foreign situations." Mr. Reardon said. The company is going through a process of trying to look at it more formally."

The World Wide Web Consortium's 231 members include most computing and telecommunications companies that have significant stakes in the Internet. some government agencies and several nonprofit groups. Membership tees are on a sliding scale, from \$5,000 to \$50,000. The group's stated goal is "to

realize the full potential of the Web. The challenge in keeping the group apolitical, Mr. Bemers-Lee said, is to create ways of achieving social goals that are 'policy independent.'

pended" — not given up — its plan to invest \$1.4 billion in the semiconductor standard practice for the chaebol. Like Hyundai, LG said its owners supervisors to review its books and replant at Dunfermline, Scotland, on cords. A Hyundai spokesman promised would draw money from their personal which construction is under way. consolidated statements for the entire

JAKARTA: Bank Mergers Bring Indonesia Closer to IMF Terms

Continued from Page 1

of 16 financially troubled banks.

At the time, analysts praised the move as a sign that the government was serious about reforms. Their optimism was fueled by the fact that one of the closed banks was partly owned by one of President Suharto's sons, Bambang Tribatmodio, who protested loudly.

But little further action was taken on the IMF package, leading to the crisis this year that forced Mr. Suharto to sign the new and more stringent agreement. The country's banking crisis is one of several factors in an economic slow-

down in which lending has all but halted

and most business activity is on hold. The whole economy is standing still," said an American banker who spoke on condition he not be identified. The economic engine of Indonesia right now is sitting there waiting for a new quart of oil. Something has got to be done to get the system moving again,

and money is the lubricant." [Japan also moved to bolster con-rupiah from its finish last week of 8,450.

fidence in its banking system by announcing a series of new government measures to rescue the nation's debtridden lenders, Bloomberg reported.

The measures include plans to let banks take gains on land holdings, forgive paper losses on their stock portfolios and receive a capital infusion from public money. The move is expected to help strengthen banks' balance sheets. The Nikkei Stock Average gained 1.3 percent on the news.1

This merger in Indonesia will consolidate five private banks with assets of 50 trillion rupiah (\$5.92 billion) into one entity called Bank International Indonesia. "The merger will establish a more competitive bank with larger assets, a stronger capital base and improved li-

quidity," a statement said. Nevertheless, the rupiah plummeted again in value Monday, reflecting what analysts said was a continued lack of investor confidence despite the IMF

In Jakarta, the dollar rose to 9,600

But with most investors still hesitant about Indonesia, trading was thin.

When the rupish fell past 10,000 to the dollar nearly two weeks ago, its numble caused a panic in financial markets as well as among shoppers here, who hoarded foodstuffs and other staples.

Indonesia has yet to address one of its most pressing financial problems, a \$133 billion burden of dollar-denominated debt that grows bigger with each drop in the rupiah and that has belped bring the economy to its present standstill. Analysts also say confidence cannot

be fully restored until President Suharto addresses the issue of political succession. Though he is expected to stay on for a seventh five-year term in March, he is 76 years old, and uncertainty about the future has gripped the nation.

The problems in Indonesia's banking sector are typical of the inefficiency, corruption and self-indulgence that the new IMF strictures are attempting to rein in. An absence of rigorous controls allowed bankers to indulge in risky practices and private deals.

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Sources: Matal, Associated Press Int'l Financial Futures Exchange. Petroleum Exchange.

FOR LYVESTMENT INFORMATION

Read THE MONEY REPORT every Saturday in the IHT. Herald Eribung

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Hill Has to Share

FORMULA ONE Former Formula One world champion Damoo Hill will share top billing at his new Jordan team next seasoo with the German driver Ralf Schumacher, according to the team's owner, Eddie Jordan.

Jordan said Monday at the launch of the 1998 Jordan car in Loodon that both his drivers would start the season on an equal footing. Hill is arriving from the Arrows-Yamaha team as a replacement for Giancarlo Fisichella of Italy, who has joined Benetton.

Raif wants to be up front and so do I," Hill said of Schumacher, the brother of Michael Schumacher, who has often been Hill's greatest rival. "So I bave got to establish myself in a way that will enable me to have the backing of the team, as Michael has had at Benetton and Ferrari, if I am to have a chance of gaining the best results and taking (Reuters)

For Skier, a Lucky No. 5

OLYMPICS Graham Bell should make Alpine skiing history at the Nagano Winter Olympics after be-ing oamed to Britain's team on Mooday. Bell, 31, has competed in every

Winter Games since he came in 32nd in the downhill in the 1984 Sarajevo Olympics. He is set to become the first Alpine skier to race in five Olympics. (Reuters)

Hoppe Will Call It Quits

BOBSLEDDING Wolfgang Hoppe of Germany, the most successful driver in the history of bobsledding, will retire after oext week's World Championships in St. Moritz, Switzerland, the German Bobsledding Federation said Mooday.

Hoppe, winner of 33 Olympic, World and European championships medals, had been looking forward to competing in his fifth Winter Olympics next month but failed to qualify when his four-man team finished only third in the Ger-

man championships.
The 40-year-old Hoppe had previously said he inteoded to retire at the end of the season. (Reuters)

Kansas Welcomes Wilt

BASKETBALL Was that sweat Wilt Chamberlain wiped from his face — or tears? Amid all the cheering and ap-

plause and emotion-laden nostalgia rocking Alleo Fieldhouse, who could tell for sure? n his first official visit to the

University of Kansas since being named an All-American there following the 1958 season, Chamberlain's jersey was hoisted to a place of reverence high in the rafters. "I've learned in life that you

have to take the bitter with the sweet, and how sweet this is," he said while standing at midcourt wearing the letter jacket he woo in 1957 when Kansas Inst the NCAA championship to North Carolina in three overtimes.

Many fans wore "Wilt" shirts and held up "Welcome Home" signs. "I'm a Jayhawk and I'm proud to be a part of the traditioo here," Chamberlain said.

WORLD ROUNDUP Showdown for Williams Sisters

One Must Go, as Venus Faces Serena in 2d Round of Australian Open

MELBOURNE - Growing up. Venus Williams imagined herself as the world No. I women's tennis player and her sister, Serena, as No. 2. She just didn't imagine they would bave to play each other.

After Serena ousted the No. 6 seed Irina Spirlea, 6-7 (5-7), 6-3, 6-1, in her Grand Slam debut Mooday, they will do just that, in the second round of the Australian Open.

Veous, a year older at 17, advanced with a 6-3, 6-0 drubbing of France's Alexia Dechaume-Balleret oo center

In the next round, facing an opponent who knows her game well from countless practice sessions, "when I hit a forehand crosscourt, she'll already be

over there." said Venus. And, she said, Serena can play better than she did Monday, wheo "she should

have won the first set." Earlier, anticipating a likely meeting, Serena had said, "Venus has no reason



Pete Sampras waving to the crowd after defeating Sjeng Schalken.

feared anybody.

But Serena confessed to feeling perhaps too much pride in her match against Spirlea. Figuring she had the superior forehand, she tried to pick oo that part of the Romanian's game, even aiming many of her serves on that

She blew three set points at 5-3 in the first set, lost a tiebreaker and then fell behind 2-0 in the second.

"Then I found an open door and I went through it," she added. The door? "Not to hit to her forehand."

Serena said she was not thinking about the incident at last year's U.S. Open semifinals, when Spirlea bumped into Venus during a changeover. Williams's father, Richard Williams, suspected racial motivations and called Spirlea "a big, tall, white turkey Spirlea later was fined \$5,000 for

cursing Venus Williams at a news cooference. Asked if the incident was oo her mind Monday, Spirlea said, "During the match, oo, but before, yes, sure."
Spirlea said that in letting her lead slip away, "I just felt tired. "I doo't know what happened. I had no more

She said the Williams sisters played the same game, but with Serena "sometimes you think she's not going to get the ball and she's always there, so you are still surprised."

The sisters were part of a parade of tennis's teenage wave of the future here Mooday. The youngest, 15-year-old Mirjana Lucic of Croatia, advanced with a 7-5, 6-I victory over Rennae Stubbs of Australia, and like Serena Williams displayed a fearless tactic.

Lucic moved well inside the baseline to receive serve — a strategy that Stuhbs didn't think would work against players who could serve well into the body. "It doesn't matter who I play against.

I always stand there," Lucic said. "I am taking it earlier oow, and my oppooent doesn't really have so much time."

But in the opening match on center court, the 16-year-old Australian Lleytoo Hewitt couldn't follow up his

to fear me," and added, "I've never success in Adelaide this month, when he beat Andre Agassi en route to becoming the third youngest male player to win a tournament in the Open era.

Hewitt fought back from two sets down but lost, 6-2, 6-4, I-6, 2-6, 6-3, to Daniel Vacek of the Czech Republic. "It wasn't like I got killed," said

Hewitt, who is ranked 162 oow. "It's a little bit disappointing, but if you were to say three weeks ago that I was going to jump from 550 in the world to 160 so you have to look at it both ways."

Among the older folks, Pete Sampras, the 26-year-old defending champion and top seed, cruised to a 7-5, 6-4, 6-2 victory, serving 17 aces, over Sjeng Schalken of the Netherlands. Sampras said that after a calf injury in

Davis Cup play last November, he is healthy, and was "trying to break some He has won 10 Grand Slam titles and

is trying to pass the all-time leader, Roy Emerson, who has 12. Rod Laver and Bjorn Borg won 11 majors apiece.

No. 4 Jonas Bjorkman of Sweden shook off a poor start and won, 2-6, 6-1, 6-1, 6-1, against Allen Belobraidic of

But two of the five men's seeds from Spain - the most here from any country went out. No. 10 Sergi Bruguera withdrew because of hlisters on his feet while trailing Karol Kucera of Slovakia, -6, 7-5, 6-1, and No. 14 Felix Mantilla lost, 6-4, 6-0, 4-6, 6-4, to Byron Black of

Then Albert Portas was ousted by No. 6 Petr Korda of the Czech Republic, 6-3, 4-6, 6-1, 6-4.

The Spanish winners included No. 7 Carlos Moya, the losing finalist last year, and No. II Alex Corretja. Moya beat Peter Tramacchi, an Australian, 6-4, 6-3, 6-7 (6-8), 7-6 (7-3). Corretja defeated Lucas Arnold of Argentina, 6-7-5, 2-6, 6-3. No. 15 Mark Philippoussis, the Aus-

tralian who beat Sampras in the 1996 Open, hlasted past Alex Calatrava of Spain, 7-6 (7-0), 6-4, 7-6 (7-4). Lindsay Davenport, the No. 2 ranked

Majoli of Croatia beat Naoko Sawamatsu of Japan, 6-4, 6-2, and No. 8 Conchita Martinez of Spain druhbed Sandra Kloesel of Germany, 6-2, 6-2. ■ Hingis Begins Title Defense

Martina Hingis, ranked No. I in the world, begins the defense of her Australian Open title Tuesday, eager to forget her early exit from the Sydney International at the hands of Venus Williams last week, Reuters reported. In

women's player, ousted Amelie Co- her first match here, Hingis will face

Serena Williams leaping to hit a return to Irina Spirlea in Melbaurne. Wiltrud Probst of Germany theteux of France, 6-2, 6-3. No. 4 Iva Anna Kournikova, the lo-year-old Russian prodigy, starts her Australian

Open bid Tuesday against Katarina Stu-denikova of Slovakia, almost 10 years her senior. The fifth seed, Mary Pierce of France. takes on Li Fang of China in the first match of the evening session on center court, while No. 7 seed Arantya Sanchez Vicario of Spain, who beat Venus Williams for the Sydney International

title on Saturday, meets Junet Lee of

In Hockey All-Star Game, More a Huckfest Than a Puckfest



Teemu Selanne scoring against Patrick Roy, the North American goalie.

By Joe Lapointe

VANCOUVER - After the dancing guys in goalic suits, the tumhlers in the mascot costumes and the explosions of the indoor fireworks, the Canadian rock singer Bryan Adams stood on the icc surrounded hy four members of the bright, red uniforms.

This was before the face-off of the National Hockey League All-Star game pitting North America vs. The World. Adams stood oear the spot where the word "Canada" was painted in red letters oo the ice as a cloud of fireworks smoke hung high over his head.

In a nervous voice, Adams then sang "O, Canada!" hut he mangled a few of the words. Declining to press charges, the Mounties simply escorted him to his seat. Good thing Adams didn't have to sing a half-dozen more anthems to honor the rest of the participants in this international nuckfest

The oew format is an us-against-them cootrivance designed to pique interest in the hockey tournament of the Winter Olympic Games, which will include NHL players oext mooth in Nagano.

As if from another world, an airborne object that looked like either a flying saucer or the world's biggest bagel arrived near center ice to deliver the first

The players then took that puck — and many more just like it — and shot them into each other's oets 15 times over the next three hours.

In fact, the Europeans — here called "the rest of the world" — scored on the first shot of the game and took a 3-0 lead. But the North Americans rallied for an 8-7 victory on Sunday, the winning goal scored by Mark Messier, a patriotic Ca-nadian who is the captain of the hometown team, the Vancouver Canucks.

Despite North America's victory, the most valuable player in the game was Teemu Selanne, from Finland and the Mighty Ducks of Anaheim, who scored three goals. It is the first time a European player has won the hooor and the first time a member of the losing team has woo it since 1986.

Ken Hitchcock of the Dallas Stars, coach of the World team, used a line

rotation that put together trios of Finns, Swedes, Russians and players from the former Czechoslovakia. Selanne said he liked the oew format, although many of his teammates Sunday will be his rivals in Nagano.

"It's really nice to see the other European players," Selanne said. "I know a lot of Swedes. I'm a good friend of ment out it was leanly in Europeans here. We are all in the same boat. We are foreigners here."

Messier, the former New York Rangers captain, was celebrating his 37th hirthday. After he ducked two questions about his birthday, a reporter asked him if he was in denial.

"I never thought I'd be sitting here talking to you all when I was 37 years old." he replied.

He said it was nice to be that age and still be under pressure to play like a superstar. And he said he wished he could play on Team Canada in the Olympics. Ohviously, it's incredibly disap-

pointing," Messier said about oot being chosen for the 'Olympic team. His linemates Sunday were Wayne Gretzky of the Rangers and Eric Lindros of the

Philadelphia Flyers, both of whom will play in Japan. All three are centers.

Gretzky set up the game-winning goal. "I didn't have to vell for the puck," Messier said. "Wayne sees everything out there." By assisting on this one and on John

LeClair's goal. Gretzky broke a tie with Mario Lemieux for most All-Star us. Greizky now has 22, vet annine of his many records.

He mentioned that the Rangers' general manager Neil Smith called him Saturday night to remind him about the record, even though, Gretzky said, he was well aware of it. Asked about Messier, Gretzky said, "We had fun playing together again."

But he and Messicr spoke at different times during the post-game press con-ference. When someone asked Messier if he talked to Gretzky much, Messier said something about the time zone difference and added something about talking to Brian Leetch and Mike Richter of the Rangers. It is becoming clear that the Messier-Gretzky relationship has cooled somewhat since Messier left

New York as a free agent last summer.



NHL Hall of Famers Bobby Hull, left, and Gordie Howe, wearing their team jerseys, sharing a laugh during the All-Star festivities in Van-

The Man in Vince Lombardi's Office

By Dave Anderson New York Times Service

S THE Green Bay Packers' general manager, Ron Wolf works L in the same office that Vince Lombardi once occupied as their gen-eral manager and coach. And oo Sunday, the Packer team that Wolf built will my to wio two consecutive Super Bowls, as Lombardi's teams did in the first two Super Bowls. But Wolf was around Lombardi only once.
"It had to be '61," Wolf was saying,

"when I was with Pro Football Illustrated.

Theo a year away from earning a history degree at the University of Oklaboma and being hired by the Raiders as a college scout. Wolf had gone to Green Bay to attend, as he says oow, one of Lombardi's "bark and growl" news conferences. Did he ask a question of Lombardi?

"Nn," he said with a laugh. "I wasn't going to ask him a question and have him bark and growl at me."

Six years later, at Super Bowl II in Miami, Wolf was personnel director for the Raiders, the Packers' opponent in what would be Lombardi's last game as coach. The Packers took a 13-0 lead. "But we scored a touchdown," Wolf

said, meaning the Raiders. "When we stopped them, we felt the momentum had changed, but then Donny Anderson punted and Roger Bird fumbled it. They recovered and went ahead, 16-7."

Those Packers would win that second Super Bowl, 33-14, but when Wolf talks about the Packers now, it's "we," not

'they.' Not long after taking command late in the 1991 season following nearly two years as the Jets' assistant general manager. Wolf made the two moves that transformed the Packers into a Super Bowl contender again. He hired Mike Holmgren as coach and got quarterback history involved here. He and I knew we

Brett Favre in a trade with the Atlanta Falcons.

"Before the 1991 draft," be said, alluding to his days with the Jets, "we had Favre rated as the No. 1 player in the draft. I'd seen him play at Southern Mississippi. He had a verve and a fire, and a rifle arm. He took control of a game."

The Jets didn't have a first-round choice, having used it to select wide receiver Rob Moore in the 1990 supplemental draft. Just before the Jets were about to pounce on Favre in the second round, the Falcons took him. The Jets then picked Browning Nagle. but the Falcons sooo became disen-



chanted with Favre and his style.

"My first game with the Packers was in Atlanta on Dec. 1, 1991," Wolf said. "But when I got there, I was told if I wanted to look at Favre throw, do it when be first came out because they didn't let him throw in the warm-up. That's wbeo I knew we had a chance to

get him in a deal. And we did." Wolf traded a first-round choice that turned out to be Tony Smith, a running back from Southern Mississippi whose career ended in 1994.

And under Holmgren, Favre developed into the National Football League's most valuable player in 1995 and 1996 hefore sharing that bonor this season with Barry Sanders. "When we hired Mike as coach,"
Wolf said, "I could tell he liked the had a unique situation. Because the fran-chise is publicly owned, we didn't have an owner looking over our shoulder. The only two who could mess up this situation were Mike and me."

To inspire their younger players, Wolf and Holmgren called oo the Pack-

er history that Lombardi built.
"That first year in 1992," Wolf said,
"we brought in Ray Nitschke, Bob Skoronski and Roo Kostelnik, really live people who had played oo Lom-bardi's teams. In 1993 we brought in Paul Hornung, Jerry Kramer, Herb Adderley, Willie Wood and Dave Robinson. We told our players how they too could have their names in that ring of

honor in Lambeau Field." In 1993 the Packers signed as a free agent Reggie White, the 304-pound defensive end who is oow the career leader in sacks. "I remember telling Reggie, 'If you come here and play for the Packers, you'll be a legend,' 'Wolf said. "And now he is."

Nearly half a century ago, growing up in New Freedom, Pennsylvania, oear the Maryland border, Wolf heard of the Packers for the first time. "That was the Baltimore Colts' first

woo only one game that year, 1950, and that game was against the Packers.
"The Colts won, 41-21," Wolf continued. "I didn't see the game, but I listened to it oo the radio. And when I came here, they gave me a copy of that

year in the NFL," he said. The Colts

game film." Now, Wolf, 59, has the opportunity to see his Packers win another Super Bowl title. "I'm the luckiest guy in pro football," he said. "Working in Green Bay is like working in a museum. The room where they held the meeting that founded the team in 1919 is still here. City Stadium, where the Packers played long before Lambeau Field was built, is still here and is still being used."

Lombardi's office is still being used too, by Ron Wolf.

Ex-Star Cyclist Admits Using Banned Drug

BRUSSELS -- Eddy Planckzert, a former star Belgian bicycle racer, has admitted using the performance-en-hancing drug EPO and alleged that the banned product is being taken widely by professional riders.
"EPO is a fantastic product,"

Planckaert told Belgian VRT television. "If you use it and your opponeot doesn't, you're 12 to 15 percent better, and this on the top level which means quite something. But it involves risk to life."

EPO stimulates the production of red blood cells, which transport oxygen to the muscles and organs. The drug was introduced in the mid-1980s Flanders in 1988. Both one-day races

to treat kidney disease. Since it thick- are among the most esteemed in the ens blood and can hring on heart attacks because of clotting, it is considered a highly dangerous drug for cyclists and is banned in the sport.

EPO has been linked to the premature deaths of about two dozeo riders, mainly in Belgium and the Netherlands. Its use, bowever, is believed to be

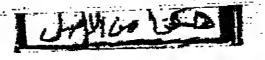
widespread in cycling. Planckaert was the first major rider to admit that he used the drug.

I was "stroog, oot that I won everything, but strong, so strong." said Planckaert, who won the Paris-Roubaix race in 1990 and the Tour of

"Now there is the problem that even the smallest rider uses it, said Planckaert, who became a businessman after he retired a few years agu. Trying to crack down on the use of EPO, the International Cycling Union.

which governs the sport, has set limits on the number of red cells in riders' blood: A rider may not start and is suspended for two weeks it his red cells exceed 50 percent of the blood in tests before a race. The normal level of red blood cells for most athletes is around 43-45 percent.

About a dozen professiunals failed the blood tests last year.



SPORTS

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Wahm Policy He 45 for Jordan As Bulls Beat The Rockets

The Associated Press

Michael Jordan scored as pointes, in the eluding a pair of key 3-pointers in the final quarter, and the Chicago Bulls a spirited performance by final quarter, and distribution of the visiting Charles Barkley to beat the visiting Houston Rockets, 106-100.

Barkley, jawing, yapping and exchanging barbs with his good friend Jordan, cored 35 points — 19 over his average — and had 14 rebounds for the Rockets, who have lost 10 of their last 14 games. The Rockets played Sunday night without the injured stars Hakeem Olajuwon and Clyde Drexler, and then lost

NBA ROUNDUD

guard Mario Elie with 6:54 left in the first half when he strained his left shoulder after colliding under the basket with Scottie Pippen.

But every time it looked like the Bulls would run away, Houston fought back with determined play from Barkley, who made 11-of-14 field goal at-13 to tempts.

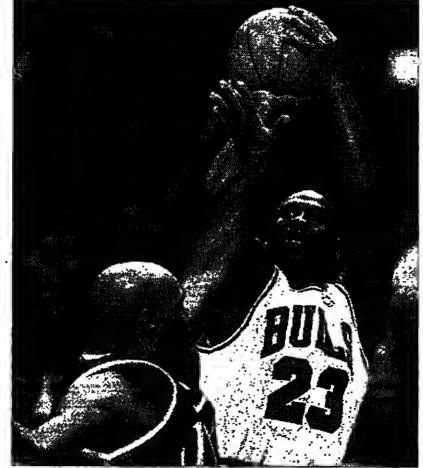
Spurs 38, Bucks 82 In Milwaukee, David Robinson had 30 points and 15 rebounds, and Tim Duncan had 20 - ing points and 11 rebounds as San Antonio beat the Bucks in overtime.

The Spurs scored the first eight points in overtime to win their fifth straight and 11 17th of their last 19. It was San Antonio's first overtime win of the season after three losses.

The Bucks, who lost the last two games of their homestand after winning the first three, were led by Terrell Brandon with 19 points. Some 96, Heat 87 Antonio McDyess scored 20 points and Jason Kidd just missed a triple-double as the Suns beat the Miami Heat in Phoenix.

Kidd had 9 points 13 acciete and 10

Kidd had 9 points, 13 assists and 10



Michael Jordan of the Bulls firing one over Rodrick Rhodes of Houston.

rebounds, falling one point short of his third triple-double in his last 12 games.

Jamal Mashburn led Miami with 25 points. Alonzo Mourning had 17 points and was 6-for-6 from the field, hot played only 19 minutes before fouling opt with 7:08 remaining.

Trail Blazers 94, Nuggets 82 In Port-land, Gary Trent scored a career-high 27 points as the Blazers handed Denver its 20th straight loss, tying the second-longest, single-season losing streak in NBA history.

The rookie Bobby Jackson scored a points.

career-high 27 points for Denver, which fell to 2-35 for the season. The Noggets haven't won since beating the Los Angeles Clippers on Dec. 7.

Pacers 103, Celtics 96 Rik Smits scored 25 points as the Pacers beat the Celtics on Sunday in Larry Bird's first game in Boston as Indiana's coach. Jalen Rose scored 20 points for In-

In a game reported in Monday's edi-

diana, which won its fifth straight game. Rop Mercer led Boston with 21

Joy and Pain: The Zen of the 'Erg'

By Joe Glickman

TEW YORK - There's a standard joke among women rowers: If you can make it through an "erg" regatta, giving birth will seem easy. That's erg as in Concept II erneter, the flywheel rowing machine that is a fixture in health clubs and is used by virtually all the roughly 1,000 rowing clubs and college crew teams in the United States. The prefix "ergo," from the Greek, means work. And as I discovered two years ago, the name fits.

Back then, a personal fitness trainer suggested I enter the St. Valentine's Massacre Indoor Regatta at the New York Athletic Club Boathouse on Traver's Island in Pelham, New York. I had never heard of an erg regatta, but the trainer said that my height — I'm 6 foot 4 [1.92 meters] — and background as a kayak racer would offer a distinct advantage. I decided to give it a shot.

My wife was somewhat less than supportive. "That's got to be the world's stupidest sporting event," she said. "Hundreds of rowers competing on gym equipment, with coaches and judges and spectators, and everyone

taking it seriously?' I couldn't argue that it wasn't stupid, but I was reasonably sure it wasn't the stupidest. And this Feb. 14, 1'll be doing the Traver's Island regatta again. And I'm taking my 19-month-old daughter

Indoor regattas are actually quite popular. There are 38 events scheduled in the United States in 1998 and 43 on the international race calendar, the sport's own Super Bowl comes on Feh. 22 at the 16th annual World Indoor Rowing Championships in Boston.

This display of stationary freneticism, featuring 1,200 rowers from around the world, is known as the Crash-B Sprints, an acronym for 'Charles River all-star has-beens,' All races simulate 2,000 meters, the standard Olympic distance.

enter a regatta can join the fray by submitting their best time to Concept II, the machine's manufacturer, for the world rankings. The 1997 list included 18,000 rowers from 56 countries. Of course, as my grandmother used to say, and my wife would concur, just because something's popular doesn't mean it's not stupid. But those of us hooked on this sport are willing to suffer the jibes

of skeptics and spouses.
The Concept II machine was invented in 1981 by Peter and Dick Dreissigacker, oar makers and brothers from Orange, Connecticut, who started by pailing Dick's inverted bicycle to the floor. The current edition is nearly 8 feet long with a contoured seat that slides on the aluminum rail as an oarsman would in a rowing shell. The performance monitor - the mute coxswain who never lies gives digital feedback on average pace,

total distance and time. The intensity of the workout is in your control. The harder you pull, the more resistance you feel, just as you would on the water.

The erg works the whole body - legs, arms, back, abs and buttocks - more muscle mass than any other piece of indoor gym equipment, providing a very efficient total-body workout. Rowing is one of the few aerobic activities that can strengthen your lower back. And since rowing is impact-free, it can be done well past one's competitive prime.

HAD six weeks to train for my first erg regatta. The workouts devised by my trainer friend were surprisingly short: 30 minutes at 70 percent of my maximum heart rate, 15 minutes at 80 percent, and four intervals of 2 minutes all-out, with 2 minutes' rest in between. Within a few weeks, my legs

and lungs started to respond. On Valentine's Day, I kissed my wife good-hye and headed off to the massacre. As I approached the New York

Athletic Club Boathouse, overlooking

Long Island Sound, the din of the crowd

Erg enthusiasts who choose not to seeped through the walls. The chilly gym, sporting the flags of college crew teams, was packed with hundreds of tall. muscular jocks in crew-team jackets

cheering on their teammates. A rope sectioned off 16 hrand-new ergs sitting side by side. Heats went off in measured intervals: heavyweights, lightweights, men and woman, juniors. open, masters. Each ergometer was hooked up to a computer monitored by

an official. Rowers struggle to compare the whole-body pain of oxygen debt with anything else they've experienced in sports. One West Point cadet with crossed oars tattooed on his sinewy back said: "We describe the pain as exeruciating, or excruciating plus. When you're finished, you're shot, because you've given it your all. And then you think, I could have kicked it in the last 600 meters instead of 500. There's always another level of pain you can get to. It's a bit sick.'

Sick or pure? Masochistic or self-transcendent? At the competitive level. pain is part of most sports: running, swimming, cycling. In an activity with minimal technique and no locomotion, erg racing is pain unadorned.

My division was heavyweight mas-

ters, with about 40 competitors aged 30 to 39. After an anxious wait, the gun went off, and I pulled. With the crowd and adrenaline, the first two minutes telt easy, despite the fact that I was going faster than 1 ever had. Two minutes later, my lower back hurt, my hamstrings burned, my lungs really, really hurt, and I was slowing down.

With 800 meters to go, lactic acid surged through my self-deluded veins. I heard the crowd urging me on. "You're ahead," came the cry. "Pull!"

After what seemed like an eternity, I was done. My time for 2,000 meters was 6 minutes 20.3 seconds. I slumped over. a wheezing shell. But when I looked up. I noticed that everyone else was still rowing, I had won! What a great sport.

SCOREBOARD

NBA STANDINGS

71 8 J95 —
29 9 7.61 1½
24 12 .667 5½
21 16 .56 9
17 22 .436 14
10 30 .250 21½
7 29 .194 22½

| Indiana | 27 25 26 25—182 | Biaston | 28 27 21 23—146 | 1: Smits 11-18 3-4 25, Miller 6-14 6-8 20, Rose 7-10 4-7 20; E. Marcar 8-16 5-5 21, DeClercq 5-9 7-8 17, Rahamuts—Indiana 45

H: Barkley 11-14 11-16 35, Rhodes 6-9 3-4 15/C. Jordan 16-29 11-12 45, Plapen 8-123-4 23, Rubesads—Houstan 44 (Barkley 14), Chicago 31 (Radinan, Langley 5), Assists—Houston 16 (Davis 3), Chicago 34 Pippen 10.
Sem Antoule 14 15 27 25 15—99
Milwantine 21 24 21 17 9—92
S.A.: Robinson 10-17 10-1230, Doncem 9-15
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16. Rebounds—Sem Antonio 55 (Robinson
15), Alliwantine 60 0-81 14), Austria—Sen
Antonio 21 (Robinson 6), Alliwantine 19
(Republic 1)

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15 22 21 28— 87
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31 24 29 19— 94

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Phoenix 49 (Kidd 10), Assists—Milonal 19
(Hardowsy, Lenard 4), Phoenix 49 (Xidd 10).

10).
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Portional 22 13 38 27— 94
02: Jordsont 11-16 1-2 27; Wossington 7-16
3-517: P: Trent 10-136-527; Andrington 9-165-8
23. Reheated—Desirer 50 (Gorreft 7).

MAJOR COLLEGE SCORES Artmon RO, New Mexico 70 Syracuse 85, Miomi 67
Florida State 70, Georgia Tech. 67
West Virginia 79, Villonova 65, DT

ICEHOCKEY NHL STANDINGS SASTERN COMPERSION

FOOTBALL COLLEGE BOWL GAMES 729 8 42 148 THEAST DOVISION W. L. T. Pls. GF GA. 25 16 7 57 145 113 24 15 8 56 137 130 37 16 9 51 117 107 19 21 7 45 111 115 17 20 8 42 111 117 17 25 6 40 118 137 SENIOR BOWL

MULA BOWT. IN AT WALLING, MALL GOLF BOB HOPE CLASSIC First scores Bunday of \$2.5 tellion Bob

Hope Chrysler Classic, played on Bermuda Dunes Country Club (5,927 yards, par 72), Duries Country Club (6,827 years, par 72), Indian Welle Country Club (6,478 years, par 72), PGA West, Arnold Petrer Private Course (6,931 years, per 72), and Le Quinte-Country Club (8,931 years, per 72); a-won on first playoff hole: 14-Fred Couples, U.S. 64-70-66-66-63-332 Birson Lietzke, U.S. 65-671-62-47-332 Andrew Mogee, U.S.
Dovid Darva, U.S.
Steve Jones, U.S.
Stevent Chri, U.S.
Mark O'Mann, U.S.
Sidy Kentoli, U.S.
Fuzzy Zoeller, U.S.
Kirk Triplett, U.S.
Paru Stevinowski, U.S.
John Huston, U.S.
Brad Fate, U.S.
Mark Webe, U.S.
Mark Webe, U.S. 3 3 2-8

World Street World, Scionar (Kolvu). 2 World. Jogr (Bondin, Mironav) (Kolvu). 2 World. Jogr (Bondin, Mironav) 3 World. Scionave (Lastifren, Festicov). 4 North America. Leclair (Greitzly, Chelles). 5, North America. Tucchuk (Chelles, Fluxy) (yp). 5, North America. Niedermoyre (Scidic, Recchil) Seconal Parises. Niedermoyre (Scidic, Recchil) Seconal Parises. Niedermoyre (Scidic, Recchil) Seconal Parises. Niedermoyre (Scidic, Recchil) (Abodomo, Theoriaul). 6, World, Kerni I (Kolvu, Lohtines). 18, North America, Lindros I (Chellos, Messier). 11, North America. Amorthe I (Scidic, Bourque). Third: Period—12, North America. Messier I (Greitly). 14, World, Krovchul I (Sundin, Fornberg). 15, World. World. Krovchul I (Sundin, Fornberg). 15. WORLD RAFFIMOS

1. Tiger Woods, U.S., 11,00 points

2. Grey Norman, Australia, 10,74

3. Emile Els, South Africa, 10,07 4. Nick Price, Zirobobres 9.91 5. Phil Mickelson, U.S., 9.89 4. Davis Love 36, U.S., 9.44 7. Colin Montgomerie, Britain, 9.33 8. Mart O'Mears, U.S., 8.05 World, Krovchuk 1 (Sundin, Forsberg) 15. World, Krovchuk 1 (Sundin, Forsberg) 15. World, Krovchuk 1 (Bore) Shots on goal: Horth America: 13-17-13—43. World 7-11-11—29. Goalles: North America, Ray, Bellour,

11. David Duvel, U.S., 7.32 12. Justin Leonard, U.S., 7.16 13. Steve Etkington, Australia, 6.76 14. Brod Faxon, U.S., 6.72 15. Vitry Singh, Fijl, 4.51 16. Fred Couples, U.S., 6.30

SOCCER

MALIAN FROST DIVISION

Permo 3 AC Malen I STANDONESES: Inter Milon 3& Juventus 35; Udineso 31; Perma 29; Lado 28; Sompdonia 26; Romo 25; Fiorentina, AC Milan 24; Vi-cepso 21; Rarl 19; Brecia 17; Biologno 16; Empoli I.S. Piscerusa, Atalanta Bergamo 14; Lecce 11; Napol & SPANSSH PURST DEVENOR
Tenerife 2 Sporting Glon 1

Tenerife 2 Sporting Gilon 1
Molliorca O Deportivo Coronia Q
arcastonicase: Real Modrid 43. Barcalong
41; Real Sociedad. Athletic Bilboo 26; Asterica
Modrid. Cela Vigo 34: Espanyol 32; Real
Bellis 38; Molliorca 29; Real Zoropauz 29; Rocing Sardander, Dyledo 27; Departivo Coronia.
Compositela, Valladolid, Merida, 25; Valencia
22: Salencea. Towards 21; Sardina Silan. 3

AUSTRALIAN OPEN

MONDAY IN MELBOURNE,

FIRST ROUND
Mikoni Tijistrum, Sweden, def. Leander

A.4.6.6-1, 6-4.
Alex O'Brien, U.S., def. Jan-Alichoet Gom-bill, U.S., 3-6, 7-5, 6-1, 6-3. Wayne Ferreira, South Africa, def. Jon Kroslate Slovakja, 6-4.

3-4, 6-2, 6-3, Scott Bruper, Australia, def. Do-mant: Hrborn, Sloveida, 6-4, 7-5, 7-5. Slave Dosedel, Czech Republic, def. Ar-narud Boetach, 6-4, 3-4, 6-3, 7-6 (7-2). Davide

6-0, 3-4, 7-6 (8-6), 6-3. David Princeil, Germany, def. Johan Van Herck, Belgium, 3-6-6-7, 2-7), 6-1, 6-4-6-1. Jordi Burilla, Spain, def. Sargis Sargislan. Jopan, def. Sandra Dapier, Australia, 7-5, 6-1. Nana Miyagi. Japan, def. Sandra Dapier, Australia, 7-5, 6-1.

many, def. Johan Van Herck, Belgium, 3-6. 6-7 (2-7), 6-1, 6-4, 6-1.
Jordi Burikla. Spatn. def. Sargis Sargslan, Armenia, 6-3. 6-4, 1-6, 3-6, 9-7. Daniel Vacek, Czech Republic. def. Lleytan Hewitl. Australia, 6-2, 6-4, 1-6, 2-6, 6-3, Gianticz Pazzl.

refired.
Nicolas Laperati, Econdor, def. Juan Albert Viloca, Spoth, 5-7, 6-3, 6-4, 6-7 (3-7), 6-1.
AutiVal Washington, U.S., def. Rodomhr Vasek, Czech Republic, 6-2, 6-4, 4-5, 7-5, Name Vesent Czech Republic, 6-2, 6-4, 6-7-5. Mis-fin Domn. Czech Republic, def. Mark Wood-lorde. Australia, 6-4, 7-6 (7-3), 3-0, retired. Vince Spodea, U.S., def. Jurek Shesiak, Aus-tralia, 6-7 (4-7), 6-1, 6-4, 4-6, 6-3. Steve Camp-bell, U.S., def. Jurkin Granekslab, U.S., 3-6, 6-3, 3-6, 6-3, 6-4. Fabrice Sontona, France, def. Emilia Alvantz, Spain, 4-6, 6-0, 6-3, 5-7, 6-4. Richard Franchem. Austrafia, del. Todd Richard Fromberg, Austrolia, del. Todd Larkham, Austrolia, 2-6, 6-3, 6-4, 3-6, 6-3. Mark Philipportsis (15), Australia, del. Alex

THAN AN INCH OF SNOW?"

Adriana Gersi, Crech Republic, del, Mag-dgiena Maleeva, Bulgaria, 2-6, 6-2, 6-2, Amelle Mauresma, Francis, del, Silvia Farico.

Amelie Mauresma, France, def, Silvia Farino, Italy, 7-6 (7-4), 7-5, Sylvia Plischke, Austria, def. Emmanuelle Gogliardi, Switz, 7-5, 6-1.
Elena Wagner, Germany, def. Jolene Wylanabe, U.S., 6-2, 6-1. Barbara Scheti, Austria, def. Mantona Diaz-Oliva, Argentina, 6-4, 6-1, Serena Williams, U.S., def. Irina Spirlea, (6), Romania, 6-7 (5-7), 6-3, 6-1.
Iva Majoli 14), Crootia, def. Naoko Savametsu, Japan, 6-4, 6-2, Arne-Gaelle Sidot-France, def. Lenka Nerreckava, Czech Republic, 6-4, 6-3, Florencia Lubot, Argentina.

once, def. Lenko Nemeckava, Czech Re-blic, 6-4, 6-3. Florencia Labot, Argentina. def. Kerry-Anne Guse, Australia, 2-6-3, 6-4.
Asa Corisson, Sweden, def. Evic Do-

Asa Corisson, Sweden, def, Evic Do-minillovic, Austrulia, 6-3, 2-6, 6-4, Venus Wilsons, U.S., def, Alexin Dechanure-Ballerel, Franco, 6-3, 6-0, Lindsay Dovenport (2), U.S., def, Amelie Cocheleu, Franco, 6-2, 6-3, Lisa Raymond (13), U.S., def, Nicole Prati, Austrulia, 6-1, 2-6, 6-3, Mogdolena Grzy-bowska, Polomo, def, Carlotina Cristea, Ro-monta, 6-3, 6-2, Rita Grunde, Italy, def, Meghann Shoughuessy, U.S., 6-4, 6-3, Flora Perfetti, Italy, gef, Sandra Cacke, U.S., 5-7, 4-4, R.A., Dools, Sunzay, Amedica, and

5-7, 6-4, 8-6. Paola Searez, Argentina, def. Trudi Musgrave, Australia, 6-2, 7-5. Shi-Ting Wang, Talwan, def. Ines Garrachategui, Ar-

gontina. 6-1, 4.4, 6-4. Karina Habsudova. Slavakla, Bef. Saman-tha Reeves, U.S. 6-3, 6-4, Milho Saeki. Japan. del. Mana Enda, Japan, 6-4, 6-3. Magui Ser-na. Spaia, del. Rachet McQuillan, Australia. 6-3, 4-6, 9-7.

Virginia Ruano-Pescual, Spain, def. Sandra Kleinova, Czech Republic, 7-6 (7-2) 7-5. Nirupama Voldyanathon, Indonesia, def.

PRETTY.

TRANSITIONS

AMERICAN LEAGUE
SEATTLE—Signed 3B Russ Davis to 2-year

NATIONAL LEAGUE NEW YORK-Agreed to terms with RNP Rick Reed and RNP John Hudel on 2-year contracts.

Japan, del. Sandra Dopter, Austria, 6-2 6-1.
Concidia Martinez (B), Spain, def. Sandra
Kloeset Germany, 6-2 6-2.
Tottana Panova, Russia, def. Francesca
Lubiant, N. 6-4, 6-4. Tomanine Tonoscayam,
Thailand, def. Maria Alejandra Venta,
Venezuela, 6-1, 6-3. Jana Kandarr, Ger., def.
Siobhan Droke Bracktman, Australia, 6-1, 6-4. BASKETBALL MATIONAL BASKETBALL ASSOCIATION
DALLAS—Put G-F Bubbo Weds on injured
list, Activated C Chris Ansley from Injured list,
GETROIT—Signed G Steve Henson to 10-

day conhod.
PHILADELPNIA —Wolved G Rex Watters.
SEATTLE—Traded G Eric Snow to Philadelphila for 2d-round draft choice in 1998 or 1999.
POOTBALL
NATIONAL FOOTBALL LEAGUE
BUFFALO—Named Bishop Harris running
backs cooch and Bill Bradley defensive sec-

MOCKEY MATIONAL HOCKEY LEAGUE MONTREAL-Troded F Stephane Richer, F Darcy Tucker and it David Wilkie to Tampa

OTTAWA-Sent D Radim Bleanek to Man-

TAMPA BAY—Traded RW Dino Ciccarelly and D Jeff Norton to Florida for G Mark Fitzpotrick and RW Jody Hull. Assigned G Derek Wilkinson to Cloveland, IHL

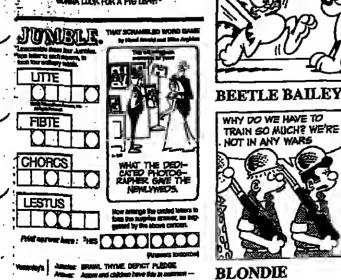
NOBODY EVER CLOSED A

PRETTINESS.

DENNIS THE MENACE



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NON SEQUITUR









ART BUCHWALD

Rooms With a View

ASHINGTON — New Apartment on Central Park York is having a housing boom. Every time you look to the sky another apartment house is going up. It's

real estate business but tough on the tenants.

Greg Vogt
invited me over for drinks at his West Side a-

partment on the 40th floor.

I said, "This is quite a view you have." "I had a better one six months ago. I could see the

Statue of Liberty and parade. Scarsdale show all my friends my view Trump built a skyscraper when, just as the sun was set- smack against my building, ting, someone built a building and all I could see was a maid in front of mine and all my in the window cleaning his guests watched as they blocked my view of both the Hudson and East rivers, as well as Mrs. Helmsley's

Bilbao's Guggenheim Sets Crowd Records

Agence France-Presse BILBAO, Spain — Bilbao's new Guggenheim Museum is breaking records as it tries to cope with more

people than expected. The museum in this northern Spanish city has broken the national record of visitors in one day three times since it opened on Oct. 19. Its total of nearly 300,000 visitors to the the view of those tenants to end of last week was 25 percent more than officials had trying to sell the new apartexpected. They said the crowds were sometimes at

'saturation point.' The museum, designed by Frank Gehry, is an offsboot of New York's Guggenheim Foundation.

"You're taking it well," I

"New York is not a dog-eat-dog world — it's a builder-eat-builder one. As soon as

a real estate developer sees a patch of sky, he wants to fill it with concrete.

"After my first building experience I moved to another high rise which cost me a million dollars more than the

Park, the Plaza Hotel, the Hudson, the East River, the Brooklyn Bridge and Macy's "I was enjoying breakfast

"I had a cocktail party to one morning when Donald

"I couldn't take it very long, so I moved again to this place. I have three months to enjoy the view before Trump's next building gets to my floor. Then I'm going to have to move again.

I said, "I guess people are crazy to think they can pay premium prices for a view when someone will build a huilding smack dah against theirs. Why don't you move into a Trump Tower and be done with it?

'How can I he sure he won't build a new building next to his older one, blocking accommodate the people he is

"I hadn't thought about that. So you're planning on moving again as soon as this view is blocked?

"What choice does a New Yorker have?

Baryshnikov, at 50, Still Taking the Risks

By Jennifer Dunning New York Times Service

NEW YORK — Mikhail Baryshnikov was an eyegrabbing hlaze of cool fire from his first performances as a Kirov Ballet Wunderkind in the late 1960s. Now, a few days short of turning 50, Baryshnikov will take the daring step of performing an entire program of solos, his first such venture in the United States.

Starting Wednesday at City Center in New York, he will give five performances of the kind of edgy, thought-provoking dances for which he and his company, the White Oak Dance Project, have be-

come known.
And in "Heartbeat: MB," the centerpiece of his program, every moment of strain or nervousness will be thunderingly communi-cated to the audience. The dance, an American premiere by Sara Rudner and Christopher Janney, requires Baryshnikov to wear a wireless device attached to his chest that amplifies electrical impulses from

his brain to his heart and mnscles. "Yon're totally transparent," Baryshnikov said in a recent interview, sounding in turn both happily expectant about his work and melancholy over the recent death of his friend Howard Gilman, the philanthropist.

Baryshnikov discovered just how emotionally naked he was in a performance of the piece in a solo tour in Europe late last year. "I went on stage and I thought I was not nervous," he said. "I wasn't puffing. But my heart was beating probably 145 to 150 beats a minute. Your heart is very much connected in your mind. And that is what this piece is about, in general; the heart as a pumping instrument and the heart as all the old cliches about the heart, from ancient poetry to the modern medical tracts.

This is not, of course, the first time Baryshnikov has performed solo pieces. "But solo work is very strictly a North American tradihe said.

"The more I've been working on these pieces, the more fun I've had with them, because it's just you and the choreographic script," Baryshnikov said. "You do it. Then later you return to the same material, give it a fresh look and work again on it with the choreographers. You tone down certain elements. You bring up other parts of the dance. It starts to sparkle a hit. Or get some life. Or some legs. Some sense."

In addition to the Rudner-Janney piece, Baryshnikov will present New York premieres by Kraig Patterson, a young choreographer who performs with Mark Morris, and by Morris, on whose work the White Oak company was founded. He will also perform Jose Limon's 1942 "Chaconne. Baryshnikov has been per-

forming "Chaconne" and Morris's dance "Three Russian Preindes" for several years in White Oak programs. 'Somehow I feel I've been pregnant with these solos, sort of, and they're ripe to show," he said. "Dances have a second and third life. You feel they are never ready. They always have a chance for another life. But I feel these pieces have settled in me quite comfortably, or uncomfortably, and that I am ready to interpret them and take responsibility for them.

"Three Russian Preludes," to music by Dmitri Shostakovich, was prompted by Baryshnikov's fond-ness for the Soviet composer's mnsic. The dance, he said, is "about reflection, about men, about how his music affected the Russian people, and not just Russian people, of this century --- that kind of complexity and certainty and hidden lyricism and almost false happiness, Sometimes a dance is pretty



Mikhail Barvshnikov will dance to the amplified sound of his heartbeat.

one of the young modern-dance in mind. "I think park," he said. choreographers Baryshnikov has

encouraged. What, Patterson asked him, did he think of the second movement of Tryst," set to "Concerto No. 3 in D Minor" by Bach? Baryshnikov thought of men of the world, their vanity and all other "wonderful and horrible things," he said. Patterson, who worked out much of the choreography by moving his hands through the steps during journeys much just a dance, though, as Ba- on the A-train through Brooklyn ryshnikov learned from Patterson, and Manhattan, had something else

'Just a man in the park.'

Baryshnikov is, in effect, a co-choreographer of "Heartbeat: MB," which is drawn from his improvisations in a studio with Rudner, "The heart is different every time," he said, "which means it is a semi-improvisational piece. You play your heart as an instrument almost." As Janney put it. "We get to see him thinking, and he gets to hear himself dance. Baryshnikov said he had been

hassling" Rudner for several I'm O.K. with it.

White Oak. The solo grew from a piece she created forherself, working with a maarchitect and musician knownfor his sound-producing sculp-

Mortality is a subtext in-Heartbeat: MB." It is a subject that has been very much in Baryshnikov's mind. He has lost three close friends in recent years - the poet Joseph-Brodsky, the French singer-Barbara, and Gilman, the chairman of Gilman Paper Co. Gilman helped to found White: Oak, which is named after and based at his Florida plantation near Jacksonville.

You see, Howard was kind of our spiritual leader," Baryshnikov said. "He was a" family, my oldest brother."

Baryshnikov said that the solo program, which he will take to California in February, was not prompted by the approach of his watershed birthday on Jan. 27. How does he-feel about that rite of pas-

sage?
"I like to go to anybody else's birthday," he said, "and if I'm invited I'm a good guest. But I never celebrate my birthdays. I really don't care. Anythis is the last part of life. way, this is the last part of life! Life is over. That's it." He was not talking, he said,

about a dancer's short stage life, adding that both his parents died relatively young. "I think if I live for the next IO years I'll be happy," he said. "And it's nice that I'm still interested in what I do." I'm grateful to whatever there is for allowing me to do things. But life isover, for sure."

This is a time 'just to find peace with myself and everybody around; , and seemy children grow as long as I can," said Baryshnikov, the father of four.

Somehow," he added, "I feel" this is the normal chain of events.

MOVIES

Pedro Almodovar: Growing Up With Madrid

"Live Flesh" is a reflection of the director's maturity.

By Celestine Bohlen New York Times Service

sprang from the thick of Madrid's anything-goes night life, armed with a hand-held camera, to record the intoxication of Spain's post-Franco freedoms.

Funny, outrageous, sexy, even kinky, his early movies had attractive young people, Victor (Liberto Rabal) and Elena plots that veered off at random (Francesca Neri), who expeangles. Culminating with the wackily exnberant "Women on the Verge of a Nervous Breakdown," which won him international acclaim and an in 1988, they were a reflection of their author's disheveled,

carefree life. "My first films coincided with a moment of absolute. vital explosion in this city, said Almodovar, whose hair is more neatly shorn than in his wilder days but still stands up on end, giving him the look of a startled teenager. "Madrid in the beginning of the 1980s was probably the most joyful, the most fun, most permissive city in the world. It was really the rebirth of the city after such a horrible period as the Franco regime. If there was something characteristic about Madrid, about the culture of Madrid that I belanged to, it was its night life. That was my university, and the university for many nthers."

Almodovar, the most vis-ible exponent of *la movida*, as the cultural ferment in Madrid try," he said. "All my movies have a political commentary Prize for Literature in 1982, started his Almodovar, the most visafter Franco's death in 1975 was known, had arrived in the imbedded in them, and that is the freedom that the characters writing career as a newspaper reporter. capital in the 1960s, a teenager escaping from the stifling, enjoy strict Roman Catholic environment of La Mancha.

In the spirit of the times, he tried a hit of everything: He created comic strips, performed in a drag act, sang in a rock band and worked for the telephone company, filming his first experimental movie on weekends. Sitting recently in a modest office at his production house,

El Deseo, surrounded by film posters, books and few odd, kitschy mementos. Almodovar was ready to admit that he had grown up, if belatedly. And his I2th film, "Carne Tremula" ("Live Flesh"), is, in fact, a reflection of the adult in him, with a more sober look at love and passion and even a sidelong glance at the yearning for children and family. Based very loosely on a novel by the British mystery writer

Ruth Rendell, "Live Flesh" is the surry of five characters twn women and three men — whose lives are linked by a shooting in 1990 and the accompanying elements of revenge, desire and jealousy that reach into the next several years. This is a typical mix for Almodovar, but unlike his more freewheeling films, "Live Flesh" stays oo a fairly tight track as its plot unfolds.

In this movie, as in most of Almodovar's others, relating itself is a major protagonist. But this time, the city — like the director — has lost its glitzy surface. The Madrid of "Live Flesh" is not the highly colored, highly stylized skyline seen "There is a kind of tradition here," he said, when asked about the absence of "Live Flesh" from the list of Goya about the absence of "Live Flesh" from the list of Goya that is place of forgotten shantytowns and kindergartens for needy

In Europe, critics have hailed "Live Flesh" as a welcome departure from the director's old formulas. "The protagonist of the movida has learned how to structure both his stories and his emotions," concluded a review in the Italian newspaper []

"I am not sure where he is going," said Angel Fernandez-Santos, a film critic for El Pais, the Spanish newspaper with the largest circulation, in an interview. "but I think Almodovar is entering his period of maturity. He is starting to show complete command of the art form. The earlier films were interesting, but they had little mistakes. In 'Live Flesh,' the whole puzzle fits together."

Almodovar hates putting labels on his work, but he admits that both "Live Flesh" and his 1995 movie, "The Flower of My Secret," about a romance-fiction writer with a bad marriage who starts writing under her real name, are de-

"In the last two films, I was attracted in narratives that were for pleasure, because we liked to, for the joy of doing it."

much more austere and soher," he said, "but that was because that suited those stories best.' He paused hriefly, then made an offhand confession. "It

MADRID — At 46, Pedro Almodovar is no longer the also may be," he said with a smile, "that I am saturated by myself, by the things that I have done in the past." Two of the characters in "Live Flesh" are trapped in a love that is violent and self-destructive, always a subject of fascination for Almodovar. But the main protagonists are two

> rience a more innocent, albeit very complicated, romance. At the start of the film, Vic-'s hirth, on the night in 1970 when the Franco regime gency, is shown, in the back year was hig and walked with of a hus on a grim, empty an attitude." The master of the movie, Elena is about to from 1829 to 1836 and died give birth to their child in the there in 1849 at age 40. back seat of a taxi as it drives through brightly lighted downtown streets that are

huzzing with shoppers. These two nativity scenes serve as bookends, not only for the movie's interlocking love stories but also for the country's historical trajectory over the last quarter-century. And it is here that Almodovar returns again to reaffirm, and celebrate anew,

the meaning of freedom. "The two protagonists in this case have a happy ending because the happiness is the ing who is about to be born will he born in a better coun-

"I truly think this is the only country where I would have been able in do the things that I have done, 'he added. "I don't think I oonld have done them in England, France or the U.S. This is a free country where I can work in complete freedom. And in Spain, we hold on to our freedom like children

clutching their most precious teddy bear." But for Spanish audiences, Almodovar has dropped an ominous note into the narrative: the voice heard on the radio announcing the state of emergency belongs to Manuel Fraga Iribarne, the president of the Galicia provincial government who was Franco's minister of information and went on to become the grand old man of the conservative party that

governs Spain today. "There is a ghost on the horizon, and that upsets me like it upsets many Spanish people," said Almodovar. "I think it is impossible for Spain to go back to that awful past, but we are not so far from it either. That voice on the radio is still a live voice; it belongs in an active politician who in fact created the

party that is now in power. Almodovar's relationship to his native country is fraught

demonstrated every year at this time. I was too successful here and outside Spain. It is a question of envy.'

Although he remains committed to the city he calls home, Almodovar laments Spain's eagerness to join ranks with its northern European partners. He thinks this policy has spawned a deadly homogenization, forcing Madrid to trade in some of its Spanishness—its late hours and its siesta, for example—for the sterility of say, Oslo.

The Madrid in "Live Flesh," he says, could be any city. "I

wanted to show a contradiction, both architectural and social, a contradiction which is very alive, very expressive and very unjust, the kind of thing you see in every hig city today." There are also economic pressures peculiar to the 1990s that

have changed his heloved city, by putting a premium on competition at the expense of creativity. "Young people now are very preoccupied with the market," which is natural," said Almodovar, still a hedonist at heart. 'But I remember in the early '80s, everything we did we did

WITH a gentle tap, tap, tapping, a mysterions stranger walked alone before dawn to the grave of Edgar Allan Poe in Baltimore and placed three roses and a halfempty bottle of oognac there. Unidentified people have carried out the ritual at the sepulchre on the writer's birthday each year since 1949, said Jeff Jerome, curator of the Edgar Allan Poe House and Museum. "It was a different guy this year, which surprised Jerome said of the 3:05 A.M. appearance, observed

hy 20 people from a church. "He looked rather youngish,

The poet Maya Angelou and Sec- Wallenberg, who is credited with sav-

a reporter. Garcia Marquez is a friend of President Fidel Castro and as such he will "have first-hand privileged access realization that the human be- to all the details of the trip," according to the Colombian newspaper El Tiempo.

A Canadian and an Israeli were awarded the 1998 Wolf Prize in agproaches in plant breeding and hio-control," the Israel-based Wolf Foundation said. The Wolf prizes are given annually for outstanding achievements in physics, chemistry, medicine, agriculture, mathematics and the arts.



PEOPLE

Rigoberta Menchu and her husband, Angel Camile.

retary of State Madeleine Albright are ing thousands of Jews during World War among 21 inductees into the National II. The city council said Monday that the Women's Hall of Fame in Scneca Falls, tons of stones that once lay on the streets New York. Other inductees include the astronaut Sbannon Lucid and the opera base for the memorial ontside UN star Beverly Sills. The ceremony will be headquarters in New York. The Hungarian-born sculptor Gusztav Kraitz is designing the memorial. Wallenberg is credited with saving at least 15,000 Hun-Gabriel Garcia Marquez will cover garian Jews from Nazi concentration the visit of Pope John Paul II to Cuba as camps by issuing them Swedish passports. He disappeared in mysterious circumstances in 1945, age 53.

Jimmy Buffett, the man who told us "If we weren't all crazy, we would all go insane," has slowed down at age 50. Buffett, whose birthday was Christmas Day, told the February issue of Men's Journal magazine, "What I know for sure is that there are a lot of smart middle-aged people, but not many wise riculture for their research in the biones. That comes with 'time on the waological control of plant diseases. Baldur R. Stefansson of the University of
Manitoba and Ilan Chet, a professor at
added the rock 'n' roller turned fly fish-Hebrew University in Jerusalem, were erman. Crashing his plane in 1994 in-honored for their 'innovative apspired him to slow down and simplify his life, he said in the excerpts from his forthcoming memoir, "A Pirate Looks at Fifty."

James Brown has been admitted to a bospital near his home in South Carolina to treat an apparent addiction to pain-Budapest will export 10,000 old killers. Brown's agent, Jeff Allen, said in Paris with one leg in a cast Monday obblestones to New York for a method of Godfather of Soul hurt after flying home following a snowmorial to the Swedish diplomat Raoul his back while performing in Florida. mobile accident in Canada.

"He tried to do a split, and at his age he shouldn't be doing a split," Allen said. "I'm sure he won't be trying it again." Brown's lawyer, Albert Dailas, said, "James is taking a long, well-deserved rest. He's been touring for the past five years.

Rigoberta Menchu, the Maya native who won the Nobel Peace Prize in 1992, returned to her roots to get married, then bury her infant son, in back-to-back ceremonies over the weekend in the remote Guatemalan town of San the Nobel for her activities helping her fellow Mayan Indians during the ethnic violence of the 1980s. After the wedding, she and her husband. Angel Camile, a native

of San Pedro, led a procession of mourners to the town cemetery to burytheir son, Tz'unun, who died in December after a premature birth.

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Burt Reynolds could have used a stant double for his latest cannonball run. Reynolds donned Rollerblades and pads to prepare for an coming role as a hockey coach. The star of "Hooper" a film about the bumps and hruises of the stant business — was assured by a good source that he could handle it. "My son" said, 'If you can Rollerblade, you can o' Reynolds said in Entertainment Weekly. "I crashed, I burned, I went into palmetto bushes and trees. But I've never had a double, and I'm not about to start now."

 \Box What could be a more appropriate cel-ebration of George Balanchine than to observe his birthday with new dance? Balanchine was born on Jan. 22, 1904. and on Thursday the company of which he was a founder will once again observe the date with world premieres. That night at the New York State Theatre, the New York City Ballet will present the first public performance of "Variations on a Nursery Song," by Richard Tanner, and "Concerti Armonici," by Peter Mar-tins, the company's artistic director.

The French singer and actress Vanessa Paradis was taken to a hospital

Question of Size? 'Titanic' Wins the Golden Globe

By James Sterngold New York Times Service

BEVERLY HILLS, California — In an evening that was expected to pit the hig guns of expensive Hollywood \$200 million costume drama, winning as best film drama but with several smaller

movies taking prominent awards. "Does this prove once and for all that size matters?" asked James Cameron, who also won a Golden Globe as best

But the award for best dramatic actor went to a man who has been absent from films for years, Peter Fonda, well known

for his iconic role in the 1960s film and Helen Hunt, won for best actor and "Easy Rider." He won the award for his actress in the category. part as a quiet, courageous beckeeper in Ulee's Gold," a small-hudget film.

were here tonight," referring to the legendary Henry Fonda. Judi Deach won the award for best dramatic actress for her role as Queen

Victoria in "Mrs. Brown."

Although the awards, given by the

Hollywood Foreign Press Association, "God, it's good to be back," said have raised questions because the as-Fonda, and then added, "I wish my dad sociation is little recognized and has sociation is little recognized and has fewer than 100 voting members, they are seen as harbingers of the more popular Academy Awards given in March.

Among the more popular choices of the evening was Burt Reynolds, who has had The closest thing to a sweep in the many ups and downs in his career and evening was scored by "As Good As It who won as best supporting actor for his Gets," a dark, odd comedy about an role as the paternalistic pornographic intensely neurotic novelist falling in filmmaker in "Boogie Nights," The best love with a salty waitness. The film, supporting actress trophy went to Kim

films for years, Peter Fonda, well known appeared with Fonda in "Easy Rider") film was "Ma Vie en Rose," Belgium.

